# 2009/2010 Annual Report

www.lesedilm.gov.za

LESEDI

LOCAL MUNICIPALITY / PLAASLIKE MUNISIPALITIET

| | | |
|---|---|---|
| | **FOREWORD BY THE MAYOR . . . . . .** | **6** |
| **CHAPTER 1** | **INTRODUCTION AND OVERVIEW . . . . . .** | **7** |
| 1.1 | Introduction | 7 |
| 1.2 | Overview | 7 |
| 1.3 | Performance and Risk Management | 9 |
| **CHAPTER 2** | **PERFORMANCE HIGHLIGHTS . . . . . .** | **54** |
| | **Finance** | |
| | General | |
| | Debt Collection / Credit Control | 56 |
| | **DELIVERY OF BASIC SERVICES** | **58** |
| | Service Delivery | |
| | **DEVELOPMENT AND PLANNING** | **69** |
| | **COMMUNITY SERVICES** | **75** |
| | **MANAGEMENT AND SUPPORT SERVICES** | **90** |
| **Chapter 3** | **HUMAN RESOURCES AND OTHER** | **97** |
| | **ORGANISATIONAL MANAGEMENT** | |
| | Staffing | |
| **Chapter 4** | **AUDITED STATEMENTS AND RELATED** | **110** |
| | **FINANCIAL INFORMATION** | |
| | Quarterly Grants Received and Payments | |
| | ANNEXURES: Annexure A | |
| **Chapter 5** | **FUNCTIONAL AREA SERVICE DELIVERY** | **170** |
| | **REPORTING** | |
| | ANNEXURES: Annexure B | |

LESEDI
Local Municipality / Plaaslike Munisipaliteit
PO BOX 201, HEIDELBERG, Gauteng, 1438 TEL: (016) 340 4300 FAX: (016) 340 4424
Enquiries / Navrae : Ms G Herbert

**EXTRACT OF THE MINUTES OF AN ORDINARY COUNCIL MEETING OF THE LESEDI LOCAL MUNICIPALITY HELD ON 25th January 2011**

**LC.MC-38/01/2011** **RECOMMENDATION**

1. **THAT** the report of the Auditor-General on the financial statements of the municipality for the 2009/2010 financial year, attached as be approved.

2. **THAT** the matters of emphasis raised by the Auditor-General in the report be noted and that it must be addressed by the Accounting Officer before 30 June 2011.

***CERTIFIED A TRUE COPY OF THE MINUTES***

**MUNICIPAL MANAGER** **DATE : 2011-01-28**

FINANCE: AUDIT REPORT: 2009/2010 FINANCIAL YEAR: MATTERS THAT WERE RAISED BY THE AUDITOR-GENERAL IN THE AUDIT REPORT ON THE FINANCIAL STATEMENTS OF THE MUNICIPALITY..... (5/1/1-5/16/1/2/1) (CFO)

**PURPOSE**

The Auditor-General report for the 2009/2010 financial year is attached as ANNEXURE B . It is an unqualified report with matters of emphasis which the Auditor-General want to put under the attention of the council. Most of the issues raised in the report have been addressed, but all the matters will be addressed before the end of the financial year June 2011.

**BACKGROUND**

1. **Material losses**

The distribution losses of the Municipality have reduce as follows, namely
a) Electricity year 2008/2009 12, 22% to 12, 17% of June 2010
b) Water year 2008/2009 10, 80% to 8, 27% of June 2010
The municipality address distribution losses at on ongoing basis.

2. **Use fullness of report performance information**

The issue the Auditor-General refer to was explained but due to the fact that the necessary documents are not clear they feel it should be raised. This issue has been addressed with the revised SDBIPís and the performance targets.

3. **Accounting Officer did not adhere to his statutory responsibilities**.

The Section 72 report of the MFMA was compiled, but the Acting Municipal Manager at that stage did not table it timeously for approval by Council, namely 25 January 2010. The report was only approved by the Council on 23 February 2010 as stipulated in the report of the Auditor-General.

4. **Expenditure not paid within 30 days**

There were about three invoices which were not paid within 30days, but there were reasons why it was not paid. The reasons were not captured and the Auditor-General wish to put it under the attention of the Council.

5. **Material misstatement in financial statements**

The material misstatements in the Financial Statement were identified before the Audit process was completed and the necessary corrections were made during the Audit process.

The Financial Department will ensure that the Financial Statements is correct before the due date of 31 August to prevent material misstatements.

6. **Licence to operate a landfill site**

It is the landfill site in the Devon / Impumelelo area which the Council is busy to close down and establish an approved licensing site.

To complete the process it will be over a period of ± 3years at a cost of 6, 0 million

**LC.MC-38/01/11 RECOMMENDATION**

a) THAT the report of the Auditor-General on the financial statements of the municipality for the 2009/2010 financial year, attached as ANNEXURE.50/2011 be approved.

b) THAT the matters of emphasis raised by the Auditor-General in the report be noted and that it must be addressed by the Accounting Officer before 30 June 2011.

Executive Mayor: Clr. B J Modisakeng

The 2009/2010 Annual Report is the final performance report of our term of office since we were elected in to office in March 2006. Part of our task when we came into office was to make Local Government to be responsive, accountable, efficient and effective. This report seeks to conclude the plans and strategies that have been implemented over the past four and half years since 2006 and it also lay a foundation for what needs to be continued in the years ahead of us. One of the commitments when we were preparing for Local Government elections in 2006 was to make "Local Government work better".

These are some of the targets that we set for ourselves which also assist in checking whether we did reach our goals:

- Everyone will have access to clean water, electricity and descent sanitation
- To grow economy by attracting investors in order to enables us to reduce poverty by half
- No community will still be using bucket system by 2007
- To ensure that we provide better quality houses which are closer to economic opportunities
- Implement large projects that will help create more work opportunities
- Implement special programmes for rural areas where poorest people live including assistance in setting up food gardens.

Although much more work needs to be done but many communities in Lesedi have seen some changes in areas where they live whiles we acknowledge that other areas have developed faster than the other:

- Roads have been tarred; we have spent R44 million in the last five years to tar 22.5 kilometers of roads
- Water and electricity have become more accessible than ever before
- Local services like waste removal have improved
- More descent houses which have toilets inside have been built in Extension 26, Devon / Impumelelo Extension 2 and KwaZenzele in Vischkuil. Extension 23 and 26 are closer to the economic opportunities
- Free basic services have been provided to all until our Budget was reviewed where we give 25 kilowatts to those who can afford and 50 kilowatts to those approved as indigents.
- Sports and Recreational facilities have been provided including the rural area in Vischkuil
- Our local offices have become more effective in meeting the needs of our community and implementing the Batho Pele principles
- Our economic growth received a major boost by having major companies investing in our area: Transnet and Coca Cola which will create job opportunities,
- Young people have been identified to participate in the National Rural Youth Service Corporation with the objective to enhance skills development amongst our youth. These youth will be drawn from Vischkuil and Devon/Impumelelo
- We have reached our target in eradicating the bucket system

We have placed the creation of descent jobs at the centre of our efforts to address poverty and inequality and all our policies and programme are meant to speak to this goal. Within the context of scarce resources, we have put in place programmes to absorb the unemployment through the use of labour intensive programmes linked to infrastructure expansion and meeting social needs.

We are confident that progress made in the past in implementing the expanded public works programme will lay the foundation for the attainment of our targets to create work opportunities by 2014.

An important and critical element of improving service delivery in our municipality is to encourage our communities to participate in all forums that we have created e.g. Ward meetings, IDP Forums and Community Policing Forum because these forums give information to people and receive input and suggestion from the community. **"TOGETHER WE CAN DO MORE"**

Municipal Manager: P.J. van den Heever

It is so that all countries has a mix of social and economic realities that differ from one another and sometimes differ severely within one state from divisions of ethics, religion, gender, generation, geography etc. Such diversity is visible in the standards of living, provision of infrastructure, access to health, education, economic opportunity, models of governance and political history. South Africa actually represents a microcosm of the composition of african states. The complexity of governing a diverse population is even more intense in a municipal environment. Apart from all these different groups, a municipality has it's own roles and responsibilities.

A local community further demand jobs, houses, youth programmes etc. that has a huge burden on local government. All of the abovementioned groups will fight for a portion of the municipal budget. Therefore, it is of utmost importance that the planning stage (reviewal of IDP & Budget process) is properly planned with a wide as possible community participation. Guided by legislation within which limited financial constraints must be performed and delivered, the demand for financial resources was shared in a fair manner.

Lesedi Local Municipality has ensured a positive change in service delivery to their community. Despite the economical decline nationally and internationally that had a negative effect on the cash flow of local government, Lesedi Local Municipality has managed their responsibilities in the context of the General Economic Climate (GEC) and shortage of working capital. Given the current GEC, Lesedi gave priority to :-

- protect the poor from the worst impacts of the economic downturns by not increasing the current tariffs for services rendered
- secure the health of their assets by retaining its spending on repairs and maintenance
- spend on capital projects that were funded by both grants or own funding
- control travel, advertising, public relation activities as well as the use of consultancy services

The Lesedi Local Municipality addressed all the backlogs on services since the 2001 financial year excluding the backlogs on roads. Unfortunately the building of the new infrastructure and the maintenance cost thereof; had a negative influence on the cash flow of the municipality.

Their was a decrease in the payment level of debtors that lead to insufficient working capital. The basic tariffs could also not be increased any further as the income of the municipality was not sufficient to cover the expenditure. This unfortunately became a challenge for the municipality to cut further on their expenditures in order to ensure the expenditure remained within the income of the municipality.

**OVERVIEW**

The Integrated Development Plan (IDP) of the Lesedi local municipality adhered to the following :-

- The vision for long-term development
- The emphasis on the critical development and the internal transformation needs
- Assessment of the existing level of development
- The development of priorities and strategies and internal transformation needs
- Spatial Development Framework
- Operational Strategies
- Disaster Management Plan, and
- Key performance indicators (KPI's) and performance targets that was aligned with the municipal budget.

According to the budget regulations and the MFMA a municipality must have sufficient working capital. The working capital that was available during the 2009/2010 financial year, is a measurement of the financial health of the Lesedi Local Municipality.

As required by Chapter 5 of the Municipal Systems Act. (Act 32 of 2000) the planning or reviewal process was arranged to identify programs for implementation, that capitalizes on the municipalities strengths and weaknesses, while recognizing external threats and opportunities that have an impact upon the municipal service delivery and performance outcomes.

The pre-determined dates and times for community participation, was advertised in local newspapers, the website, and ward committee meetings.

The Section 56 & 57 Employees ensured that the implementation plan was properly communicated to the members of the community that in turn ensured effective community participation during public meetings. These pre-determined objectives was measured quarterly by means of the performance management systems tool of the council.

As the IDP & Budget influences the life of everybody who live within the municipal area, it becomes the most important documents of a municipal council. The Lesedi Local Municipality advertised as widely as possible to have the biggest part of the community to take part during the reviewal process, that in turn ensured that the local community understand the purpose and reason for their monies that are paid to the local municipality on a monthly basis. The community was also informed on the new tariffs for implementation during the following financial year. Unfortunately it is so that the community and other stakeholders hold councilors accountable for service delivery.

Lesedi local municipality successfully adhered to the implementation of it's own policies and procedures and we believe that continuous effective communication and community participation will eliminate negative protest activities.

In order to ensure that the planning documents were correctly and timeously implemented, it was measured and assessed quarterly by means of the approved measurement tool. The approved performance management systems tool were helpful and ensured that corrective measures were put in place to ensure correct and timeous implementation.

The capital budget for the 2009/2010 financial year was spent according to the financial planning. The capital budget has an impact on the operating costs of a municipal council. What was important for the council, was to ensure that the capital budget meet the priorities as set out in IDP by allocating funds to these IDP priorities as well as to ensure sufficient working capital to comply with the new budget regulations.

The council did not manage to collect all the monies that were levied and therefore the debtors book grew unacceptably high to an amount of R148 million. With the growing in expenditure and the drop in collecting the necessary funds that were levied, it had a negative influence on the cash flow of the council.

Lesedi Local Municipality needs reliable sources of revenue to provide basic services and to perform their functions

The annual budget of Lesedi may only be funded from-

- Realistically revenue collected
- Cash-backed funds from previous year's surplus, and
- Borrowed funds, but only for the capital budget

It is clear that the council need more external funding for the identified needs as discovered with the IDP Process. The municipality will have to approach other tiers of government for more support to give better services and to maintain the existing services.

# ANNUAL REPORT

# PERFORMANCE AND RISK MANAGEMENT

BY MAKING USE OF THE PDLAM SODTWARE PROGRAMME

## 2009/2010 FINANCIAL YEAR

| NR | TABLE OF CONTENTS | PAGE NR |
|---|---|---|
| 1. | INTRODUCTION | 11 |
| 2. | OVERVIEW | 11 |
| 3. | GOVERNANCE RESPONSIBILITY | 11 |
| 4. | ADMINISTRATIVE RESPONSIBILITY | 12 |
| 5. | MANAGEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM | 12 |
| 6. | TRAINING ON THE PERFORMANCE MANAGEMENT SYSTEM | 12 |
| 7. | DEVELOPMENT AND IMPLEMENTATION OF LEVEL 2 OF THE SYSTEM *(Technical Staff Members)* | 13 |
| 8. | POLICY OF THE PERFORMANCE & RISK MANAGEMENT SYSTEM | 13 |
| 9. | CONSIDERING RISK IN PERFORMANCE MANAGER & SWOT ANALYSIS : 2009/2010 FINANCIAL YEAR | 13 |
| 10. | MEASUREMENT OF OBJECTIVES AGAINST PRE-DETERMINED TARGETS *( Responsibility Reports )* | 14 |
| 11. | MEASUREMENT OF GENERAL BEHAVIOUR & ATTITUDES *( Internal Appraisal System )* | 14 |
| 12. | MEASUREMENT OF SERVICE DELIVERY & BATHO PELE PRINCIPLES *( External Appraisal System )* | 14 |
| 13. | MEASUREMENT OF MUNICIPAL PERFORMANCE *( Hard Issues & Soft Issues )* | 15 |
| 14. | **PERFORMANCE FEEDBACK** : THE MANAGEMENT & THE RESPONSIBILITIES *( Both Hard Issues & Soft Issues )* | 15 |
| 14.1 | MAYORAL COMMITTEE | 16 |
| 14.2 | SPEAKER, WARD & PR COUNCILLORS | 18 |
| 14.3 | SENIOR MANAGEMENT TEAM | 20 |
| 14.4 | ADMINISTRATIVE OFFICE OF THE EXECUTIVE MAYOR | 23 |
| 14.5 | ADMINISTRATIVE OFFICE OF THE SPEAKER | 25 |
| 14.6 | DEPARTMENT OF SERVICE DELIVERY | 27 |
| 14.7 | DEPARTMENT OF COMMUNITY SERVICES | 30 |
| 14.8 | DEPARTMENT OF DEVELOPMENT & PLANNING | 33 |
| 14.9 | DEPARTMENT OF CORPORATE SERVICES | 36 |
| 14.10 | DEPARTMENT OF CHIEF FINANCIAL SERVICES | 39 |
| 15. | **PERFORMANCE OUTCOME** : THE MANAGEMENT & THE RESPONSIBILITIES *(Both Hard Issues & Soft Issues)* | 41 |
| 16. | **PERFORMANCE OUTCOME** OF GENERAL BEHAVIOUR & ATTITUDES *(Internal Appraisal System )* | 42 |
| 17. | **PERFORMANCE OUTCOME** OF COMMUNITY PARTICIPATION *( External Appraisal System )* | 42 |
| 18. | EXECUTIVE SUMMARY *( Both Hard Issues & Soft Issues )* | 48 |
| 19. | CONCLUSION | 49 |

## 1. INTRODUCTION

This report provides information around the performance of the Lesedi Local Municipality over the **2009/2010 Financial Year** in comparison with the 2008/2009 financial year.

FOUR*(4)* tools of the PDLAM System, were used to measure the performance of the municipality as a whole. i.e. [1)]**Purpose Portfolio** *(to measure the Responsibilities)*. The [2)]**MCCA Document** *(to measure the overall Management of the municipality)*. The [3)]**Internal Appraisal** *(to measure General Behaviour and Attitudes)*. [4)]**External Appraisal** *(to measure the Service Delivery as well as the implementation of Batho Pele Principles)*

Whilst the information in this report will focus on the results of the 2009/2010 Financial Year, the information of the previous financial year is repeated for comparison purposes and to reach a conclusion.

## 2. OVERVIEW

This report will be comprehensive in that it provides an arrangement of management information to appraise performance of both the Politicians *(Governance Function)* as well as the Management *(Administrative Function)* of the Lesedi Local Municipality.

Due to the fact that a detailed analysis were compiled for both the *six(6)* month performance cycles of the 2009/2010 financial year. This ANNUAL REPORT, will present the **average performance outcome** over two financial years, to determine whether the performance have increased or decreased, where after an **Executive Summary** will follow and the report will be completed with a **Conclusion** on the performance outcome.

The following table indicates the score range of star ratings used in this report.

| RATNG IN STARS | SCORE RANGE | CLASSIFICATION | COLOUR |
|---|---|---|---|
| EMERGENCY | 0% – 35% | Unacceptable Performance | RED |
| 1 STAR RATING | 36% – 48% | Unsatisfactory Performance | ORANGE |
| 2 STAR RATING | 49% – 61% | Maintenance Performance | YELLOW |
| 3 STAR RATING | 62% – 74% | Satisfactory Performance | GREEN |
| 4 STAR RATING | 75% – 87% | Superior Performance | VIOLET |
| 5 STAR RATING | 88% – 100% | Ultimate Achievement | BLUE |

## 3. GOVERNANCE RESPONSIBILITY

A proper distinction has been made between role players conducting governance in the municipality. This distinction is essential because each group on the level of governance has specific responsibilities and has therefore specific roles to play for which they are accountable. In accordance with the **Systems Act *(Act 32 of 2000)***, these roles should be subjected to performance and risk management and eventually to internal audit to verify the processes and the outcomes.

Governance comprises the roles of the Mayoral Committee, Speaker, Ward- & PR Councillors. The results obtained from each group are shown separately to appraise performance and to make comparisons that can be used for benchmarking. *PLEASE NOTE* : that in this report, the unit of the Speaker, Ward & PR Councillors, will be referred to as the **Council**.

## 4. ADMINISTRATIVE RESPONSIBILITY

In accordance with the Systems Act, responsibilities should be subjected to performance and risk management and eventually to internal audit in order to verify the processes and the outcomes.

The Administrative Pillar comprises the roles of The Municipal Manager, Heads of Departments and all employees of the municipality who have recorded objectives *(responsibilities)* in a purpose portfolio and who have completed a MCCA Document *(questionnaire)*. The results/outcome obtained from each group will reflect in table format in this report *(MSACA & MSALA)* in comparison with the previous year that will eventually be used to improve performance through effective communication, performance review discussions, meetings, workshops etc. *PLEASE NOTE* : that in this report, the unit for **Senior Management Team** means the Municipal Manager and all the Heads of Departments.

## 5. THE MANAGEMENT OF THE PERFORMANCE MANAGEMENT SYSTEM

An established Steering Committee consist of the Performance Management Coordinator and all the Secretaries of both the Political & Administrative Pillar of the council. The secretaries is the most appropriate candidate who works closely with the Office Manager / Head of Department and who is normally well informed on the goals or objectives as recorded in the planning documents. This individual is involved and/or aware of departmental meetings and also has the knowledge of the duties and responsibilities of the rest of the unit/department. On the other hand the employees within the unit / department are familiar with the secretary who in turn can provide them with information around performance management system as and when required.

All stakeholders remain informed via the Steering Committee Members that meets once a month. During Steering Committee meetings, the monthly implementation plan *(as published in the Integrated Development Plan (IDP) Document)*, timeframes, audit queries and other important matters is discussed and minuted.

## 6. TRAINING ON THE APPROVED PERFORMANCE MANAGEMENT SYSTEM

Training is available and ongoing for both the Political and Administrative Pillars to ensure that employees are well informed around the management of the main tools of the system *(i.e. The Purpose Portfolio & the MCCA Document).*

**The outcome** of the training that was conducted during the 2009/2010 financial year is indicated in the following table. **108** Employees **were trained** on the management of the two main tools of the PDLAM System:-

| TRAINING : 2009/2010 FINANCIAL YEAR | | | | | | | |
|---|---|---|---|---|---|---|---|
| NR | POLITICAL UNIT | MEMBERS | TRAINED | NR | ADMINISTRTIVE DEPARTMENT | TOTAL EMPLOYEES Level 1 - 12 | TOTAL TRAINED Level 1 – 12 |
| 1 | MAYORAL COMMITTEE | 5 | 0 | 1 | OFFICE OF THE MUNICIPAL MANAGER | 2 | 14 |
| 2 | SPEAKER, WARD- & PR COUNCILLORS | 19 | 0 | 2 | DEPARTMENT FINANCIAL SERVICES | 28 | 18 |
| | | | | 3 | DEPARTMENT SERVICE DELIVERY | 40 | 36 |
| 3 | OFFICE OF THE EXECUTIVE MAYOR | 3 | 0 | 4 | DEPARTMENT DEVELOPMENT & PLANNING | 18 | 15 |
| | | | | 5 | DEPARTMENT CORPORATE SERVICES | 17 | 2 |
| 4 | OFFICE OF THE SPEAKER | 2 | 0 | 6 | DEPARTMENT COMMUNITY SERVICES | 74 | 23 |
| | TOTAL | 29 | 0 | | TOTAL | 179 | 108 |

## 7. DEVELOPMENT & IMPLEMENTATION OF LEVEL 2 OF THE APPROVED SYSTEM *( All Technical Staff Members up to Level 12 )*

With municipalities that is diverse in the sense that it can only be fully effective and functional with both highly skilled and the most practical staff members, it is imperative that the performance management system is flexible enough to accommodate both skills. For that purpose, the approved SDBIP of the 2009/2010 financial year, required of the Municipal Manager to ensure that the system be further developed to accommodate the Technical Staff members of the municipality *(the employees who are not office bounded)*. **The outcome** thereof, is that all staff members of the Lesedi Local Municipality, up to Level 12 have participated in the six-month performance outcome of the municipality that closed at the end of June 2010.

## 8. POLICY OF THE PERFORMANCE & RISK MANAGEMENT SYSTEM

The Performance Management Policy was reviewed during the Annual Strategic Retreat that was held at the **BIRCHWOOD HOTEL** IN BOKSBURG BETWEEN **10 – 12 FEBRUARY 2010** and approved by Council during **MARCH 2010.**

## 9. RISK AND PERFORMANCE MANAGEMENT & SWOT ANALYSIS FOR THE 2010/2011 FINANCIAL YEAR

Apart from managing the SWOT Analysis of the Council, all stakeholders that participate with the measurement of the municipal performance. As a calculated risk is involved with each objective to be achieved, it is important that the incumbent consider risk with objective setting. - **For example** - the objective reads ***"To ensure that the Executive Mayor is transported to a Strategic Meeting with the MEC on Thursday 31 August 2010 at the Kiwietskroon Conference Centre"*** **what would be the risks to consider ?** - FATALITY - **Personal Safety** *(Experienced Driver / Guard / Sober Habits)* **Promptness** *(Proper Planning of departure and arrival times, road maps, parking facilities etc)* **Transport** *(Booking of official council vehicle. Proper maintenance check, enough fuel to and from the venue)* etc. These factors ensures that the philosophical domain of the responsible incumbent becomes active and therefore acts as a leader from the position.

A SWOT Analysis of the Municipality is normally reviewed during an Annual Strategic Retreat and a complete copy thereof must reflect in the Purpose Portfolio of the Municipal Manager. Each Head of Department select the areas in the SWOT Analysis Report as applicable to his/her department that will reflect in the purpose portfolios of that whole department. The RISK Register and SWOT Analysis of the Lesedi Local Municipality was reviewed and **approved by Council** during **JUNE 2010**.

## 10. MEASUREMENT OF RESPONSIBILITIES - OBJECTIVES AGAINST PRE-DETERMINED TARGETS *(Responsibility Reports )*

The respective legislation ***(Systems Act (Act 32 of 2000) Chapter 5)*** is clear on the requirements for the planning of objectives for a particular financial year. The act inter alia requires community participation. It was therefore ensured that the specific requirements of the act were adhered to.

In order to ensure that the planning and/or objectives to be achieved was implemented and monitored for effectiveness, it was cascaded down between accountable and responsible employees up to the lowest level for implementation. Steps on how the objectives would be achieved, was recorded in the purpose portfolios of the responsible incumbents. Quarterly performance review discussion were arranged to monitor the implementation. This process did not only open the communication channels between management and the rest of the personnel, it also assisted employees to act as leaders from their positions and to understand the chain of responsibility the employees became aware of the reason for being and right of existence within the municipal framework. With this process proof of performance became visible and available for audit purposes.

**The Outcome** of the performance of responsibilities against pre-determined targets, will reflect under **Point 14 - Outcome of Management & Responsibilities** - of this report.

## 11. MEASUREMENT OF GENERAL BEHAVIOUR & HELPFUL ATTITUDE *( Internal Appraisals )*

Different units within the municipality make use of one another in the performance of their daily responsibilities. This can have the consequence of being hampered with the achievement of results. The Internal Appraisal System of the PDLAM Approach, allows the municipality to measure the general behaviour and helpful attitudes. For that purpose each section in the municipality was appraised by *five(5)* other sections in the form of a 7 point Internal Appraisal Questionnaire and feedback by means of a star-rating between 1-5. The outcome thereof was reconciled. The purpose of the internal appraisal system is to improve the service delivery within the municipality that in turn will improve the service delivery to the community in general. **The outcome** will be discussed under **Point 15 – Outcome of General Behaviour & Attitudes** of this report

## 12. MEASUREMENT OF SERVICE DELIVERY & BATHO PELE PRINCIPLES – COMMUNITY PARTICIPATION *( External Appraisals )*

Legislation requires of a municipality to ensure community participation in the planning of objectives as well as in the measurement of performance. In order to complete the full $360^0$ measurement of the municipal performance the approved system allows the community to participate. For that purpose an External Appraisal system was developed in the form of a questionnaire that was made available on the internet, at public pay points and at libraries. Community members, business men and service providers had the opportunity to express their experience or opinions by means of a rating between 1

– 5 that provided feedback to council on the provision of basic services, the cleanliness of the particular wards and towns, parks and open spaces and many more. **The outcome** of service delivery and batho pele principles will be discussed under **Point 16 - Outcome Community Participation** of this Report.

## 13. MEASUREMENT OF THE MANAGEMENT OF THE MUNICIPALITY *( MCCA Document )*

The approved system allows the municipality to measure both the **hard issues***(responsibilities)* as well as the **soft issues***(management)*. In order to assist with the measuring of the management of the municipality, the Model for Cyclical Comparative Analysis *(MCCA DOCUMENT)* is used. The MCCA Document in the form of a questionnaire contains questions in relation to the management of the municipality. The incumbent who then act as an auditor whilst completing the questionnaire, will provide feedback in the form of a star-rating between 1 – 6. With a clear understanding of each respective domain to be assessed, it can be accepted that for example, 500 honest opinions reflects a true performance outcome on the management of the municipality as a whole. **The outcome** of the overall management of the municipality will reflect under **Point 14** – in the **MSACA** & **MSALA** **Table format outcome** within this Report.

## 14. OUTCOME OF MUNICIPAL PERFORMANCE - MANAGEMENT & RESPONSIBILITIES *( Both Hard Issues & Soft Issues)*

The feedback information of all the measurement tools as explained above, were captured onto the software program which produced an outcome in the form of analysis reports. The analysis reports were analysed and the information for the 2009/2010 financial year in comparison with the previous financial year were summarised in table format that clearly indicates **MSACA** & **MSALA**. These tables are numbered and allocated as follows :-

THE POLITICAL PILLAR

**Table 1 & 2** - The Mayoral Committee ***(i.e. The Executive Mayor and MMC Councillors)***
**Table 3 & 4** - The Council ***(i.e. The Speaker, Ward & PR Councillors)***

THE ADMINISTRATIVE PILLAR

**Table 5 & 6** - The Senior Management Team ***(i.e. The Municipal Manager & Heads of Departments)***
**Table 7 & 8** - The Administrative Office of the Executive Mayor
**Table 9 & 10** - The Administrative Office of the Speaker
**Table 11 & 12** - The Department of Service Delivery
**Table 13 & 14** - The Department of Community Services
**Table 15 & 16** - The Department of Development & Planning
**Table 17 & 18** - The Department of Corporate Services
**Table 19 & 20** - The Department of Financial Services

EACH UNIT AS DESCRIBED ABOVE WILL BE PRESENTED IN THE FOLLOWING MANNER :-

**Page One** of each particular unit/department will represent an average outcome of information derived from the analysis reports.

The following page will follow with a summary outcome (also in table format), of responsibilities against pre-determined targets.

## 14.1 MAYORAL COMMITTEE

**TABLE 1**

**MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | EXECUTIVE MAYOR | | MAYORAL COMMITTEE | | UNIT AVERAGE | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Score % | Star Rating | Score % | Service Levels |
| 2008/2009 | CYCLE 1 | 74.09 | Three | 75.34 | Four | 75.09 | Four |
| | CYCLE 2 | 89.58 | Five | 82.62 | Four | 84.01 | Four |
| 2009/2010 | CYCLE 1 | 84.72 | Four | 82.37 | Four | 83.78 | Four |
| | CYCLE 2 | 79.29 | Four | 81.65 | Four | 81.06 | Four |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Report that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Executive Mayor on whether the corrective measures that were put in place during this financial year in discussion, were effective enough to improve on the performance of the previous financial year.

**TABLE 2**

**MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 80.2 | 75.71 | 77.50 | 77.8 | Four | Superior |
| | Superior | 78.8 | 78.10 | 75.00 | 77.3 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 87.4 | 84.76 | 87.50 | 86.55 | Four | Superior |
| | Superior | 78.2 | 78.57 | 82.50 | 79.76 | Four | Superior |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 90.00 | 97.14 | 95.83 | 94.32 | Five | Ultimate |
| | Superior | 78.2 | 78.57 | 82.50 | 79.76 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 91.7 | 92.06 | 87.50 | 90.42 | Five | Ultimate |
| | Superior | 87.7 | 78.57 | 80.56 | 82.28 | Four | Superior |

The average percentage outcomes in the above table, was taken from the MSACA Analysis Report that was produced by the software program.

**This table reflects the outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Executive Mayor on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 1** Reflects a consistent performance outcome over two financial years, that is commendable. It is clear that the Mayoral Committee has a clear understanding of the systems and processes what is expected of them to ensure that the unit remain fully functional.

**TABLE 2** Reflects a performance outcome of a very high standard. Although it is clear that the Executive Mayor were not in full agreement with the members of the Mayoral Committee on their particular leadership and general behaviour over the 2009/2010 financial year.

## 14.2 THE COUNCIL OF LESEDI LOCAL MUNICIPALITY

**TABLE 3**

**MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | SPEAKER | | WARD COUNCILORS | | PR COUNCILORS | | UNIT AVERAGE | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Score% | Star Ratings | Score % | Star Ratings | Score% | Star Ratings | % | Star Rating | Service Level |
| 2008/2009 | CYCLE 1 | 72.34 | Three | 63.37 | Three | 65.57 | Three | 65.11 | Three | Satisfactory |
| | CYCLE 2 | 83.32 | Four | 75.12 | Four | 59.53 | Two | 70.47 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | 83.32 | Four | 70.23 | Three | 70.71 | Three | 71.26 | Three | Satisfactory |
| | CYCLE 2 | 66.68 | Three | 66.61 | Three | 66.17 | Three | 66.48 | Three | Satisfactory |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Report that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Speaker of the Council on whether the corrective measures that were put in place during this financial year in discussion, were effective enough to improve on the performance of the previous financial year.

**TABLE 4**

**MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 78.8 | 74.41 | 74.72 | 75.98 | Four | Superior |
| | Superior | 78.3 | 62.54 | 61.11 | 67.32 | Three | Satisfactory |
| | CYCLE 2 | | | | | | |
| | Self | 85.7 | 73.17 | 80.83 | 79.90 | Four | Superior |
| | Superior | 89.8 | 65.08 | 65.28 | 73.39 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 87.8 | 74.92 | 82.22 | 81.65 | Four | Superior |
| | Superior | 89.8 | 65.08 | 65.28 | 73.39 | Three | Satisfactory |
| | CYCLE 2 | | | | | | |
| | Self | 95.0 | 78.04 | 82.87 | 85.3 | Four | Superior |
| | Superior | 85.0 | 61.90 | 64.35 | 70.42 | Three | Satisfactory |

The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Speaker of the Council on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 3** Reflects a consistent performance over two financial years. It reflects as if the Speaker, Ward & PR Councillors are familiar with the systems and processes and what is expected of them to ensure that the unit remain fully functional.

**TABLE 4** Reflects a performance outcome of a good standard. Although it is clear that the Speaker of the Council were not in full agreement with the members of the Council on their particular leadership and general behaviour over the 2009/2010 financial year.

# SUMMARY OF RESPONSIBILITIES

## OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS OF THE SPEAKER, WARD & PR COUNCILLORS

| NUMBER | KPA'S / KPI'S | MEASURABLE OBJECTIVE | RESULTS CYCLE 1 2009/2010 FIN. YEAR | DEVIATION | RESULTS CYCLE 2 2009/2010 FIN. YEAR | DEVIATION |
|---|---|---|---|---|---|---|
| 1. | **PERFORMANCE & RISK MANAGEMENT** | The applying of tools available in order to perform your duties and measure your performance within the specific business unit / department of the municipality. | 77.2 % | *For further details see the Purpose Portfolios of the Speaker, Ward & PR Councillors* | 80 % | *For further details see the Purpose Portfolios of the Speaker, Ward & PR Councillors* |
| 2. | **COUNCIL COMMITMENT *(Meetings)*** | Attend all respective meetings allocated to you as a Ward / PR Councillor in order to pursuit your purpose within the municipality. | 76.2 % | *Full attendance of Council meetings could not be achieved due to the attendance of trainings and workshop by the Members* | 80 % | *Full attendance of Council meetings could not be achieved due to the attendance of trainings and workshop by the Members* |
| 3. | **WARD/COMMUNITY COMMITMENT** | Ensure that all municipal services are rendered to the community in order to create an environment and enhance the quality of life of community members within the ward.<br><br>Communicate the approved policies, by-laws including the payment for services rendered to the community during ward committee meetings. | 73.3 % | *Service Delivery was affected due to the recession experienced within the cycle.* | 80 % | *Service Delivery was affected due to the recession experienced within the cycle.* |
| | | **TOTAL AVERAGE PERCENTAGE** | 75,6% | | 80 % | |

## 14.3 SENIOR MANAGEMENT TEAM

**TABLE 5**

**MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | MUNICIPAL MANAGER | | HEADS OF DEPARTMENTS | | AVERAGE PERFORMANCE | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Score % | Star Rating | Score % | Service Levels |
| 2008/2009 | CYCLE 1 | 75.94 | Four | 77.18 | Four | 76.97 | Superior |
| | CYCLE 2 | 75.94 | Four | 83.48 | Four | 81.97 | Superior |
| 2009/2010 | CYCLE 1 | 84.34 | Four | 75.68 | Four | 77.13 | Superior |
| | CYCLE 2 | 84.34 | Four | 80.27 | Four | 80.95 | Superior |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Report that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Municipal Manager on whether the corrective measures that were put in place during this financial year in discussion, were effective enough to improve on the performance of the previous financial year.

**TABLE 6**

**MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 89.2 | 81.75 | 83.33 | 84.76 | Four | Superior |
| | Superior | 88.3 | 73.41 | 74.31 | 78.67 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 92.4 | 82.86 | 82.50 | 85.92 | Four | Superior |
| | Superior | 88.8 | 78.10 | 80.00 | 82.30 | Four | Superior |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 87.3 | 81.35 | 84.03 | 84.23 | Four | Superior |
| | Superior | 87.7 | 74.21 | 75.69 | 79.2 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 90.2 | 83.73 | 84.72 | 86.22 | Four | Superior |
| | Superior | 75.0 | 68.25 | 68.06 | 70.44 | Three | Satisfactory |

The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Municipal Manager on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 5** Reflects a consistent performance outcome over two financial years, that is commendable. It is clear that the Mayoral Committee has a clear understanding of the systems and processes what is expected of them to ensure that the unit remain fully functional.

**TABLE 6** Reflects a performance outcome of a good standard. Although it is clear that the Municipal Manager were not in full agreement with the members of the Senior Management Team on their particular leadership and general behaviour over the 2009/2010 financial year.

# SUMMARY OF RESPONSIBILITIES

## OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - SENIOR MANAGEMENT TEAM

| NR. | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED CYCLE 1 | *DEVIATIONS ( if any )* | RESULTS ACHIEVED CYCLE 2 | *DEVIATIONS ( if any )* |
|---|---|---|---|---|---|---|---|---|
| 1 | PERFORMANCE & RISK MANAGEMENT | Ensure that the deadlines and time frames according to the Annual Year Planner for this particular financial year are adhered to. | | *SEE - GOAL 3 ( As applicable to the whole Unit / Department )* | N.A. | *N.A.* | N.A. | *N.A.* |
| 2 | SERVICE DELIVERY | The provision of basic needs and services to the citizens of the municipality in accordance with legislation, the approved policies and planning documents of the Council *(Budget, IDP & SDBIP)* | 1 | Complaint Sheets | 92.7 % | *For further details see the Purpose Portfolio of the MM & HOD Service Delivery* | 95.4 % | *For further details see the Purpose Portfolio of the MM & HOD Service Delivery* |
| | | | 2 | Daily Operational Procedures | | | | |
| | | | 3 | Water, Sanitation & Refuse Services | | | | |
| | | | 4 | Roads & Storm water Services | | | | |
| | | | 5 | Electrical Services | | | | |
| | | | 6 | Infrastructure Projects | | | | |
| | | | 7 | Health, Social Dev. & Municipal Buildings | | | | |
| | | | 8 | SRAC, Parks, Cemeteries & Libraries | | | | |
| | | | 9 | Safety, Security & Disaster Management | | | | |
| 3 | INSTITUTIONAL TRANSOR-MATION | To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council *(Budget, IDP & SDBIP)*. | 1 | Policies | 91.4 % | *For further details see the Purpose Portfolio of the MM & HOD Corporate Services* | 87.5 % | *For further details see the Purpose Portfolio of the MM & HOD Corporate Services* |
| | | | 2 | Fleet Management | | | | |
| | | | 3 | By-Laws | | | | |
| | | | 4 | Performance Management | | | | |
| | | | 5 | Human Resources | | | | |
| | | | 6 | Information Technology | | | | |
| | | | 7 | Corporate & Legal Services | | | | |
| 4 | LOCAL ECONOMIC DEVELOPMENT | To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council *(Budget, IDP & SDBIP)*.. | 1 | Local Economic, Development & Tourism *(LED)* | 88.7 % | *For further details see the Purpose Portfolio of the MM & HOD Development & Planning* | 78.7 % | *For further details see the Purpose Portfolio of the MM & HOD Development & Planning* |
| | | | 2 | LED Projects | | | | |
| | | | 3 | Agricultural Projects | | | | |
| | | | 4 | Quarterly Newsletter | | | | |
| | | | 5 | Building Control | | | | |
| | | | 6 | Housing Projects | | | | |
| | | | 7 | Economic Development | | | | |

| NR. | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED CYCLE 1 | *DEVIATIONS ( if any )* | RESULTS ACHIEVED CYCLE 2 | *DEVIATIONS ( if any )* |
|---|---|---|---|---|---|---|---|---|
| 5 | FINANCIAL MANAGEMENT | To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents of the Council | 1 | Budget Reviewal | 88.9 % | *For further details see the Purpose Portfolio of the MM & Acting Chief Financial Officer* | 86.5 % | *For further details see the Purpose Portfolio of the MM & Acting Chief Financial Officer* |
| | | | 2 | MFMA Reporting | | | | |
| | | | 3 | Budget & Financial Statements | | | | |
| | | | 4 | Asset Management | | | | |
| | | | 5 | Income & Debtors | | | | |
| | | | 6 | Credit Control & Debt Collection | | | | |
| | | | 7 | Indigents | | | | |
| | | | 8 | Council Expenditure | | | | |
| | | | 9 | Approved Grants | | | | |
| | | | 10 | Supply Chain Services | | | | |
| | | | | | | | | |
| 6 | GOOD GOVERNANCE | The ensurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Pele principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council. | 1 | Support to the Executive Mayor | 96.6 % | *For further details see the Purpose Portfolio of the MM* | 91.0 % | *For further details see the Purpose Portfolio of the MM* |
| | | | 2 | Support to the Speaker | | | | |
| | | | 3 | Internal Meetings | | | | |
| | | | 4 | External Meetings | | | | |
| | | | 5 | Conferences | | | | |
| | | | 6 | Annual Retreats | | | | |
| | | | | **AVRAGE PERFROMANCE** | **91.6 %** | | **91.0 %** | |

***N O T E S*** **** The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.***

**** The Purpose Portfolios of the Municipal Manager & Respective HOD of Department contains the Detailed information and Results of Objectives.***

## 14.4 ADMINISTRATIVE OFFICE OF THE EXECUTIVE MAYOR

**TABLE 7** — **MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | POLITICAL ADVISOR | | | OFFICE AVERAGE | | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Perform Level | Score % | Star Rating | Perform Level |
| 2008/2009 | CYCLE 1 | 74.61 | Three | Satisfactory | 69.94 | Three | Satisfactory |
| | CYCLE 2 | 69.48 | Three | Satisfactory | 71.79 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | 77.76 | Four | Superior | 78.02 | Four | Superior |
| | CYCLE 2 | 78.95 | Four | Superior | 76.10 | Four | Superior |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Report that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Office Manager on whether the corrective measures that were put in place during this financial year in discussion, were effective enough to improve on the performance of the previous financial year.

**TABLE 8** — **MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 82.5 | 72.62 | 79.17 | 78.10 | Four | Superior |
| | Superior | 83.5 | 72.62 | 79.17 | 78.42 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 87.00 | 69.05 | 81.25 | 79.10 | Four | Superior |
| | Superior | 89.00 | 76.19 | 79.17 | 81.45 | Four | Superior |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 88.5 | 77.38 | 81.25 | 82.38 | Four | Superior |
| | Superior | 88.5 | 80.95 | 79.17 | 82.87 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 93.0 | 80.95 | 83.33 | 85.76 | Four | Superior |
| | Superior | 93.0 | 79.76 | 83.33 | 85.36 | Four | Superior |

The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Office Manager on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 7** Reflects an improvement in the performance outcome over two financial years, that is commendable. It is clear that the Administrative Office of the Executive Mayor has a good understanding of the systems and processes within the municipality to ensure that the unit remain fully functional.

**TABLE 8** Reflects a performance outcome of a high standard and that the Manager is in full agreement with the office personnel on their particular leadership and general behaviour during the 2009/2010 financial year.

# SUMMARY OF RESPONSIBILITIES

**OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS**
**DERIVED FROM PURPOSE PORTFOLIOS - ADMINISTRATIVE OFFICE OF THE EXECUTIVE MAYOR**

| NUMBER | KPA'S / KPI'S | MEASURABLE OBJECTIVE | RESULTS CYCLE 1 2009/2010 FIN. YEAR | DEVIATION | RESULTS CYCLE 2 2009/2010 FIN. YEAR | DEVIATION |
|---|---|---|---|---|---|---|
| 1. | PERFORMANCE & RISK MANAGEMENT | The applying of tools available in order to perform your duties and measure your performance within the specific business unit / department of the municipality. | 95 % | *For further details see the purpose portfolio of the Political Advisor* | 95.6 % | *For further details see the purpose portfolio of the Political Advisor* |
| 2. | COUNCIL/ADMIN COMMITMENT *(Meetings)* | Attend all respective meetings allocated to you as a Political Advisor in order to pursuit your purpose within the municipality. | 86 % | *Full attendance of Mayoral and Council meetings could not be achieved due to the attendance of trainings and workshop by the Executive Mayor* | 94 % | *Full attendance of Mayoral and Council meetings could not be achieved due to the attendance of trainings and workshop by the Executive Mayor* |
| 3. | POLITICAL COMMITMENT | Advise the Executive Mayor with political matters, decisions and ensure that the Municipality adheres to the Manifesto of the ruling party. | 92 % | *Service delivery according to the manifesto was affected due to the recession during the last cycle.* | 96.5 % | *Service delivery according to the manifesto was affected due to the recession during the last cycle.* |
| 4. | COMMUNICATIONS | Ensures that communication with internal and external stakeholders take place effectively and efficiently and form part of the municipalities communication forum | 92.5 % | *Timeframe of the newsletter was not met.* | 96.8 % | *Timeframe of the newsletter was not met.* |
| | | AVERAGE IN PERCENTAGE | 91.3 % | | 95.7 % | |

***NOTES***

* *The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.*
* *The Purpose Portfolios of the Office Manager & Personnel contains the Detailed information and Results of Objectives.*

## 14.5 ADMINISTRATIVE OFFICE OF THE SPEAKER

**TABLE 9** — **MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | POLITICAL ADVISOR | | | OFFICE AVERAGE | | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Perform Level | Score % | Star Rating | Perform Level |
| 2008/2009 | CYCLE 1 | 72.24 | Three | Satisfactory | 66.27 | Three | Satisfactory |
| | CYCLE 2 | 84.33 | Four | Superior | 75.51 | Four | Superior |
| 2009/2010 | CYCLE 1 | 84.99 | Four | Superior | 83.32 | Four | Superior |
| | CYCLE 2 | 85.89 | Four | Superior | 84.60 | Four | Superior |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Report that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Office Manager on whether the corrective measures that were put in place during this financial year in discussion, were effective enough to improve on the performance of the previous financial year.

**TABLE 10** — **MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 89.5 | 76.19 | 68.75 | 78.15 | Four | Superior |
| | Superior | 78.5 | 67.86 | 64.58 | 70.31 | Three | Satisfactory |
| | CYCLE 2 | | | | | | |
| | Self | 93.0 | 78.57 | 79.17 | 83.58 | Four | Superior |
| | Superior | 94.5 | 79.76 | 79.17 | 84.48 | Four | Superior |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 97.0 | 75.0 | 75.0 | 82.33 | Four | Superior |
| | Superior | 98.0 | 91.67 | 91.67 | 93.78 | Five | Ultimate |
| | CYCLE 2 | | | | | | |
| | Self | 98.0 | 82.48 | 83.33 | 87.94 | Four | Superior |
| | Superior | 98.0 | 89.97 | 91.67 | 93.21 | Five | Ultimate |

The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Office Manager on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 9** Reflects an improvement in the performance outcome over the financial year in discussion, that is commendable. It is clear that the Administrative Office of the Speaker has a good understanding of the systems and processes within the municipality to ensure that the unit remain fully functional.

**TABLE 10** Reflects a performance outcome of an outstanding high standard. With an outcome of this nature, it reflects that the Administrative Office of the Speaker does not experience any challenges at all and that the Leadership, General Behaviour and Communication within this office were fully effective and functional during the 2009/2010 financial year.

# SUMMARY OF RESPONSIBILITIES

**OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS**
**DERIVED FROM PURPOSE PORTFOLIOS - OFFICE OF THE SPEAKER**

| NUMBER | KPA'S / KPI'S | DEFINITION / OBJECTIVE | RESULTS CYCLE 1 2009/2010 FIN. YEAR | DEVIATION | RESULTS CYCLE 2 2009/2010 FIN. YEAR | DEVIATION |
|---|---|---|---|---|---|---|
| 1. | PERFORMANCE & RISK MANAGEMENT | The applying of tools available in order to perform your duties and measure you performance within the specific business unit/department of the municipality | 100% | *For further details see the purpose portfolio of the Operational Officer* | 95.0 % | *For further details see the purpose portfolio of the Operational Officer* |
| 2. | COUNCIL/ADMIN COMMITMENT | The provision of administrative support to various Speaker's forums or ward committee meetings | 95.0 % | *For further details see the purpose portfolio of the Operational Officer* | 95.0 % | *For further details see the purpose portfolio of the Operational Officer* |
| 3. | OFFICE RESPOSIBILITIES | To oversee that the administrative activities associated with preparation of documents and correspondence be adhered to. | 95.0 % | *For further details see the purpose portfolio of the Operational Officer* | 95.0 % | *For further details see the purpose portfolio of the Operational Officer* |
| 4. | OFFICE BUDGET | Ensures that communication with internal and external stakeholders take place effectively and efficiently and form part of the municipalities communication forum | 95.0 % | *For further details see the purpose portfolio of the Operational Officer* | 95.0 % | *For further details see the purpose portfolio of the Operational Officer* |
| | | AVERAGE IN PERCENTAGE | 96.0 % | | 95.0 % | |

***NOTES***

* *The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.*
* *The Purpose Portfolios of the Office Manager & Respective office personnel contains the detailed information and Results of Objectives.*

## 14.6 DEPARTMENT OF SERVICE DELIVERY

**TABLE 11**

**MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | HEAD OF DEPARTMENT | | | DEPARTMENTAL AVERAGE | | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Perform Level | Score % | Star Rating | Perform Level |
| 2008/2009 | CYCLE 1 | 80.66 | Four | Superior | 61.77 | Two | Maintenance |
| | CYCLE 2 | 87.57 | Four | Superior | 67.03 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | 75.58 | Four | Superior | 67.22 | Three | Satisfactory |
| | CYCLE 2 | 85.19 | Four | Superior | 68.70 | Three | Satisfactory |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Reports that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

**TABLE 12**

**MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 73.9 | 64.92 | 69.17 | 69.33 | Three | Satisfactory |
| | Superior | 72.8 | 66.19 | 71.67 | 70.22 | Three | Satisfactory |
| | CYCLE 2 | | | | | | |
| | Self | 74.1 | 66.39 | 73.04 | 71.18 | Three | Satisfactory |
| | Superior | 76.9 | 69.89 | 74.02 | 73.60 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 74.1 | 66.95 | 74.02 | 71.69 | Three | Satisfactory |
| | Superior | 76.6 | 69.89 | 75.49 | 73.99 | Three | Satisfactory |
| | CYCLE 2 | | | | | | |
| | Self | 82.9 | 75.74 | 75.46 | 78.03 | Four | Superior |
| | Superior | 82.5 | 71.88 | 73.09 | 75.82 | Four | Superior |

The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Head of the Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 11** Reflects an improvement in the performance outcome over the 2009/2010 financial year, that is commendable, although the staff component of the Department of Service Delivery is clearly not in agreement of the Head of Department with regards to systems and processes and the overall functionality of the department.

**TABLE 12** Reflects a performance outcome of a good standard with an increase during the second cycle of the 2009/2010 financial year. Although the Head of the Department is not satisfied with the Leadership, General Behaviour and Communication within the Department of Service Delivery during the second cycle of the financial year in discussion.

# SUMMARY OF RESPONSIBILITIES

## OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF SERVICE DELIVERY

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) |
|---|---|---|---|---|---|---|---|---|
| 1 | PERFORMANCE & RISK MANAGEMENT | Ensure that the deadlines and time frames according to the Annual Year Planner for this particular financial year are adhered to. | | *SEE - GOAL 3 ( As applicable to the whole Unit / Department )* | N.A. | *N.A.* | N.A. | *N.A.* |
| 2 | SERVICE DELIVERY | The provision of basic needs and services to the citizens of the municipality in accordance with legislation, the approved policies and planning documents of the Council *(Budget, IDP & SDBIP)* | 1 | Electrical Projects / Maintenance | 66.2 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* | 75 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* |
| | | | 2 | Roads & Storm water Projects / Maintenance | | | | |
| | | | 3 | Water, Sewer, Waste Management | | | | |
| | | | 4 | Fleet Management | | | | |
| | | | 5 | Municipal Buildings | | | | |
| 3 | INSTITUTIONAL TRANSOR-MATION | To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council *(Budget, IDP & SDBIP)*. | 1 | Performance Management System | 97.5 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* | 97.1 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* |
| | | | 2 | | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| 4 | LOCAL ECONOMIC DEVELOPMENT | To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council *(Budget, IDP & SDBIP)*.. | 1 | Labour Intensive Capital Projects | 97.5 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* | 95 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* |
| | | | 2 | | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) |
|---|---|---|---|---|---|---|---|---|
| 5 | FINANCIAL MANAGEMENT | To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents of the Council | 1 | Municipal Financial Management | 97.5 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* | 95 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* |
| | | | 2 | Budget & IDP | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| | | | 5 | | | | | |
| 6 | GOOD GOVERNANCE | The ensurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Pele principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council. | 1 | Complaints | 97.5 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* | 95 % | *For further details see the purpose portfolio of the Executive Manager Service Delivery* |
| | | | 2 | Fleet Management | | | | |
| | | | 3 | Meetings | | | | |
| | | | 4 | | | | | |
| | | | 5 | | | | | |
| | | | | AVERAGE PERFORMANCE | 91.2 % | | 91.4 % | |

***N O T E S*** * ***The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.***

* ***The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP***

## 14.7 DEPARTMENT OF COMMUNITY SERVICES

**TABLE 13**

**MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | HEAD OF DEPARTMENT | | | DEPARTMENTAL AVERAGE | | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Score % | Star Rating | Score % | Service Levels |
| 2008/2009 | CYCLE 1 | 70.58 | Three | Satisfactory | 63.36 | Three | Satisfactory |
| | CYCLE 2 | 81.66 | Four | Superior | 63.15 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | 72.38 | Three | Satisfactory | 64.75 | Three | Satisfactory |
| | CYCLE 2 | 79.29 | Four | Superior | 69.92 | Three | Satisfactory |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Reports that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

**TABLE 14**

**MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 86.7 | 70.09 | 73.88 | 77.25 | Four | Superior |
| | Superior | 85.8 | 68.35 | 71.76 | 75.30 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 88.9 | 71.47 | 75.25 | 78.54 | Four | Superior |
| | Superior | 88.0 | 70.54 | 72.67 | 77.07 | Four | Superior |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 87.3 | 74.23 | 73.59 | 78.37 | Four | Superior |
| | Superior | 87.3 | 70.43 | 71.51 | 76.41 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 87.3 | 75.75 | 76.59 | 79.88 | Four | Superior |
| | Superior | 86.5 | 74.31 | 75.06 | 78.62 | Four | Superior |

The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Head of the Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 13** Reflects the performance over the 2009/2010 financial year have remained fairly consistent, although the staff component of the Department of Community Services are not in agreement of the Head of Department with regards to systems and processes and the overall functionality of the department.

**TABLE 14** Reflects a performance outcome of an acceptable standard with an overall increase in communication, leadership and general behaviour within the department over the 2009/2010 financial year, that is commendable.

# SUMMARY OF RESPONSIBILITIES

## OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF COMMUNITY SERVICES

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) |
|---|---|---|---|---|---|---|---|---|
| 1 | PERFORMANCE & RISK MANAGEMENT | Ensure that the deadlines and time frames according to the Annual Year Planner for this particular financial year are adhered to. | | *SEE - GOAL 3 ( As applicable to the whole Unit / Department )* | N.A. | N.A. | N.A. | N.A. |
| 2 | SERVICE DELIVERY | The provision of basic needs and services to the citizens of the municipality in accordance with legislation, the approved policies and planning documents of the Council *(Budget, IDP & SDBIP)* | 1 | Municipal Health Services | 79 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* | 89 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* |
| | | | 2 | Provision of Social Development | | | | |
| | | | 3 | Comprehensive primary Health Care | | | | |
| | | | 4 | Safety and Security | | | | |
| | | | 5 | SRAC, Parks, Cemeteries & Libraries | | | | |
| 3 | INSTITUTIONAL TRANSOR-MATION | To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council *(Budget, IDP & SDBIP)*. | 1 | Performance and Risk Management | 95 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* | 95 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* |
| | | | 2 | | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| 4 | LOCAL ECONOMIC DEVELOPMENT | To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council *(Budget, IDP & SDBIP)*.. | 1 | Capacitation of the unemployed through temporal appointments | 95 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* | 90 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* |
| | | | 2 | | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| | | | 5 | | | | | |

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED *PP HEAD OF DEPARTMENT* CYCLE 2 | *DEVIATIONS ( if any )* | RESULTS ACHIEVED *PP HEAD OF DEPARTMENT* CYCLE 2 | *DEVIATIONS ( if any )* |
|---|---|---|---|---|---|---|---|---|
| 5 | FINANCIAL MANAGEMENT | To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents of the Council | 1 | Budget and IDP | 97 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* | 95 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* |
| | | | 2 | | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| | | | 5 | | | | | |
| 6 | GOOD GOVERNANCE | The ensurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Peie principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council. | 1 | Public NGO's and CBO's | 97 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* | 95 % | *For further details, see the Purpose Portfolio of the Executive Manager : Community Services* |
| | | | 2 | | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| | | | 5 | | | | | |
| | | | | AVERAGE PEFORMANCE | 92.6 % | | 92.8 % | |

*N O T E S*

- *The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.*
- *The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP*

## 14.8 DEPARTMENT OF DEVELOPMENT & PLANNING

**TABLE 15** — **MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | HEAD OF DEPARTMENT | | | DEPARTMENTAL AVERAGE | | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Score % | Star Rating | Score % | Service Levels |
| 2008/2009 | CYCLE 1 | 77.37 | Four | Superior | 73.14 | Three | Satisfactory |
| | CYCLE 2 | 80.33 | Four | Superior | 66.33 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | 76.61 | Four | Superior | 70.45 | Three | Satisfactory |
| | CYCLE 2 | 78.32 | Four | Superior | 70.20 | Three | Satisfactory |

The average percentage outcomes in the above table was taken from the **MSACA Corporate Appraisal Reports** that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

**TABLE 16** — **MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 74.5 | 75.91 | 78.43 | 76.28 | Four | Superior |
| | Superior | 73.2 | 72.69 | 75.49 | 73.79 | Three | Satisfactory |
| | CYCLE 2 | | | | | | |
| | Self | 78.7 | 71.43 | 74.72 | 74.95 | Four | Superior |
| | Superior | 75.7 | 66.03 | 72.22 | 71.32 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 82.6 | 71.43 | 74.75 | 76.26 | Four | Superior |
| | Superior | 81.5 | 70.17 | 73.53 | 75.07 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 83.9 | 74.60 | 77.78 | 78.76 | Four | Superior |
| | Superior | 82.4 | 70.76 | 72.92 | 75.36 | Four | Superior |

The average percentage outcomes in the above tables, was taken from the **MSACA Analysis Report** that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Head of Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have Improved over the financial year in discussion.

**TABLE 15** Reflects that the performance over the 2009/2010 financial year have remained fairly consistent, although the staff component of the Department of Development & Planning are not in agreement of the Head of Department with regards to systems and processes and the overall functionality of the department.

**TABLE 16** Reflects a performance outcome of an acceptable standard with an overall increase in leadership and general behaviour within the department over the 2009/2010 financial year, that is commendable.

# SUMMARY OF RESPONSIBILITIES

## OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF DEVELOPMENT & PLANNING

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 1 | DEVIATIONS ( if any ) | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) |
|---|---|---|---|---|---|---|---|---|
| 1 | PERFORMANCE & RISK MANAGEMENT | Ensure that the deadlines and time frames according to the Annual Year Planner for this particular financial year are adhered to. | | *SEE - GOAL 3 ( As applicable to the whole Unit / Department )* | N.A. | *N.A.* | N.A. | *N.A.* |
| 2 | SERVICE DELIVERY | The provision of basic needs and services to the citizens of the municipality in accordance with legislation, the approved policies and planning documents of the Council *(Budget, IDP & SDBIP)* | 1 | Housing delivery | 78.5 % | *For further details see the purpose portfolio of the Executive Manager : DP* | 78.5 % | *For further details see the purpose portfolio of the Executive Manager : DP* |
| | | | 2 | Prevent Land Invasion | | | | |
| | | | 3 | Corridor and nodal study | | | | |
| | | | 4 | Building Control | | | | |
| | | | 5 | Removal of alien vegetation plants | | | | |
| 3 | INSTITUTIONAL TRANSOR-MATION | To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council *(Budget, IDP & SDBIP)*. | 1 | Solve Workplace Problems | 87 % | *For further details see the purpose portfolio of the Executive Manager : DP* | 87 % | *For further details see the purpose portfolio of the Executive Manager : DP* |
| | | | 2 | Weekly Activity Plans and Reports | | | | |
| | | | 3 | PRMS | | | | |
| | | | 4 | | | | | |
| 4 | LOCAL ECONOMIC DEVELOPMENT | To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council *(Budget, IDP & SDBIP)*.. | 1 | Provision of stalls for informal traders in Heidelberg CBD | 77 % | *For further details see the purpose portfolio of the Executive Manager : DP* | 77 % | *For further details see the purpose portfolio of the Executive Manager : DP* |
| | | | 2 | LED/Small farm development | | | | |
| | | | 3 | Removal of alien plants | | | | |
| | | | 4 | Industrial Township Establishment: Showground | | | | |
| | | | 5 | Zone of opportunity | | | | |

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 1 | DEVIATIONS ( if any ) | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) |
|---|---|---|---|---|---|---|---|---|
| 5 | FINANCIAL MANAGEMENT | To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents of the Council | 1 | Budget | 98.7 % | For further details see the purpose portfolio of the Executive Manager : DP | 98.7 % | For further details see the purpose portfolio of the Executive Manager : DP |
| | | | 2 | Payment of Service Providers | | | | |
| | | | 3 | Asset management | | | | |
| | | | 4 | Resource Management | | | | |
| | | | 5 | | | | | |
| 6 | GOOD GOVERNANCE | The ensurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Pele principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council. | 1 | Integrated Development Planning | 92.5 % | For further details see the purpose portfolio of the Executive Manager : DP | 92.5 % | For further details see the purpose portfolio of the Executive Manager : DP |
| | | | 2 | Community Based Planning CBP Pilot | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| | | | 5 | | | | | |
| | | | | AVERAGE PERFORMANCE | 86.7 % | | 86.7 % | |

*N O T E S*

* *The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.*
* *The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP*

## 14.9 DEPARTMENT OF CORPORATE SERVICES

**TABLE 17** — **MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | HEAD OF DEPARTMENT | | | DEPARTMENTAL AVERAGE | | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Score % | Star Rating | Score % | Service Levels |
| 2008/2009 | CYCLE 1 | 69.33 | Three | Satisfactory | 57.44 | Two | Maintenance |
| | CYCLE 2 | Vacant | Vacant | Vacant | 65.40 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | 77.10 | Four | Superior | 71.42 | Three | Satisfactory |
| | CYCLE 2 | 83.32 | Four | Superior | 73.16 | Three | Satisfactory |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Reports that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

**TABLE 18** — **MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 86.6 | 77.91 | 78.94 | 81.15 | Four | Superior |
| | Superior | 85.1 | 73.81 | 77.31 | 78.74 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 84.1 | 75.60 | 79.43 | 79.71 | Four | Superior |
| | Superior | 81.8 | 68.30 | 71.88 | 73.99 | Three | Satisfactory |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 89.3 | 78.44 | 84.26 | 84.0 | Four | Superior |
| | Superior | 88.4 | 75.93 | 78.24 | 80.86 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 90.2 | 79.69 | 84.31 | 84.73 | Four | Superior |
| | Superior | 88.7 | 75.63 | 79.90 | 81.41 | Four | Superior |

The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Head of Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 17** Reflects that the performance over the 2009/2010 financial year have improved, although the staff component of the Department of Corporate Services are not in agreement of the Head of Department with regards to systems and processes and the overall functionality of the department.

**TABLE 18** Reflects a performance outcome of an acceptable standard with an overall increase in communication, leadership and general behaviour within the department over the 2009/2010 financial year, that is commendable.

# SUMMARY OF RESPONSIBILITIES

## OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF CORPORATE SERVICES

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED *PP HEAD OF DEPARTMENT* CYCLE 1 | *DEVIATIONS ( if any )* | RESULTS ACHIEVED *PP HEAD OF DEPARTMENT* CYCLE 2 | *DEVIATIONS ( if any )* |
|---|---|---|---|---|---|---|---|---|
| 1 | PERFORMANCE & RISK MANAGEMENT | | | *SEE - GOAL 3 ( As applicable to the whole Unit / Department )* | N.A. | N.A.. | N.A. | N.A. |
| 2 | SERVICE DELIVERY | The provision of basic needs and services to the citizens of the municipality in accordance with legislation, the approved policies and planning documents of the Council *(Budget, IDP & SDBIP)* | 1 | Back-up restore procedure | 100 % | *For further details see the Purpose Portfolio of the Executive Manager : Corporate Services* | 100 % | *For further details see the Purpose Portfolio of the Executive Manager : Corporate Services* |
| | | | 2 | Maintenance Calls | | | | |
| | | | 3 | Local and Wide area network | | | | |
| | | | 4 | Accident committee | | | | |
| | | | 5 | Disciplinary Hearings | | | | |
| 3 | INSTITUTIONAL TRANSORMATION | To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council *(Budget, IDP & SDBIP).* | 1 | Distribution of Agenda's & Minutes | 83.3 % | *For further details see the Purpose Portfolio of the Executive Manager : Corporate Services* | 83.3 % | *For further details see the Purpose Portfolio of the Executive Manager : Corporate Services* |
| | | | 2 | Council Meetings | | | | |
| | | | 3 | Mayoral Committee | | | | |
| | | | 4 | Laws & Policies | | | | |
| | | | 5 | By Laws | | | | |
| 4 | LOCAL ECONOMIC DEVELOPMENT | To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council *(Budget, IDP & SDBIP).* | 1 | Service Delivery Budget Implementation Plan | 50 % | *For further details see the Purpose Portfolio of the Executive Manager : Corporate Services* | 50 % | *For further details see the Purpose Portfolio of the Executive Manager : Corporate Services* |
| | | | 2 | Procurement process | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| | | | 5 | | | | | |
| | | | 6 | | | | | |
| | | | 7 | | | | | |

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 1 | DEVIATIONS ( if any ) | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) |
|---|---|---|---|---|---|---|---|---|
| 5 | FINANCIAL MANAGEMENT | To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents of the Council | 1 | Delegated Powers | 100 % | For further details see the Purpose Portfolio of the Executive Manager : Corporate Services | 100 % | For further details see the Purpose Portfolio of the Executive Manager : Corporate Services |
| | | | 2 | Audit Committee Meetings | | | | |
| | | | 3 | | | | | |
| | | | 4 | | | | | |
| | | | 5 | | | | | |
| 6 | GOOD GOVERNANCE | The ensurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Pele principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council. | 1 | Delegated powers | 100 % | For further details see the Purpose Portfolio of the Executive Manager : Corporate Services | 100 % | For further details see the Purpose Portfolio of the Executive Manager : Corporate Services |
| | | | 2 | Audit Committee Meetings | | | | |
| | | | 3 | Ward Committees | | | | |
| | | | 4 | IDP Targets | | | | |
| | | | 5 | Complaints form Community | | | | |
| | | | 6 | Strategy | | | | |
| | | | | AVERAGE PERFORMANCE | 86.6 % | | 86.6 % | |

*N O T E S*

* *The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.*
* *The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP*

## 14.10 DEPARTMENT OF CHIEF FINANCIAL SERVICES

**TABLE 19**

**MSACA**

A Demonstration of the effective functioning as well a the impact of uncontrolled variables of the 2009/2010 financial year against the outcome of the previous financial year.

| | | HEAD OF DEPARTMENT | | | DEPARTMENTAL AVERAGE | | |
|---|---|---|---|---|---|---|---|
| | | Score % | Star Rating | Score % | Star Rating | Score % | Service Levels |
| 2008/2009 | CYCLE 1 | 82.00 | Four | Superior | 69.40 | Three | Satisfactory |
| | CYCLE 2 | 84.34 | Four | Superior | 74.87 | Four | Superior |
| 2009/2010 | CYCLE 1 | 76.76 | Four | Superior | 72.32 | Three | Satisfactory |
| | CYCLE 2 | 75.25 | Four | Superior | 73.26 | Three | Satisfactory |

The average percentage outcomes in the above table was taken from the MSACA Corporate Appraisal Reports that was produced by the software program.

**This table reflects an outcome around the availability of resources and to what extent the unit were conversant with the management of responsibilities that involves mainly the systems and processes as well as the implementation of policies and procedures.**

The outcome in the above table will provide feedback to the Head of Department on whether the corrective measures that were put in place over this financial year in discussion, were effective enough to improve on the performance outcome of the previous financial year.

**TABLE 20**

**MSALA**

A demonstration of the Goals, KPA's & Objectives *(Purpose Portfolio)* as well as the effective conduct of the functions of Leadership and general behaviour over the 2009/2010 financial year in comparison with the previous financial year.

| | | Purpose Portfolio | Leader-ship | General Behaviour | Ave-rage | Star Rating | Service Level |
|---|---|---|---|---|---|---|---|
| 2008/2009 | CYCLE 1 | | | | | | |
| | Self | 88.2 | 71.94 | 76.19 | 78.78 | Four | Superior |
| | Superior | 88.9 | 70.92 | 74.40 | 78.07 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 88.80 | 78.41 | 81.94 | 83.05 | Four | Superior |
| | Superior | 90.40 | 74.10 | 75.83 | 80.11 | Four | Superior |
| 2009/2010 | CYCLE 1 | | | | | | |
| | Self | 91.5 | 75.00 | 78.82 | 81.77 | Four | Superior |
| | Superior | 90.8 | 73.61 | 75.35 | 79.92 | Four | Superior |
| | CYCLE 2 | | | | | | |
| | Self | 87.8 | 75.94 | 76.74 | 80.16 | Four | Superior |
| | Superior | 87.1 | 72.17 | 72.99 | 77.42 | Four | Superior |

The average percentage outcomes in the above tables, was taken from the MSACA Analysis Report that was produced by the software program.

**This table produce an outcome around the overall management of responsibilities against pre-determined targets that includes Leadership, Communication and General Behaviour towards the responsibilities.**

The above outcome will therefore provide feedback to the Head of Department on whether the performance of Responsibilities, the Leadership, Communication and General Behaviour have improved over the financial year in discussion.

**TABLE 19** Reflects that the overall performance during the 2009/2010 financial year have decreased and the staff component of the Financial Department are not in agreement with the Acting Chief Financial Services with regards to systems and processes and the overall functionality of the department.

**TABLE 20** Reflects a performance outcome of an acceptable standard although the Head of the Department were not happy with the communication, leadership and general behaviour within the department over the 2009/2010 financial year.

# SUMMARY OF RESPONSIBILITIES

## OUTCOME OF PERFORMANCE AGAINST PRE-DETERMINED OBJECTIVES & TARGETS DERIVED FROM PURPOSE PORTFOLIOS - DEPARTMENT OF FINANCIAL SERVICES

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 1 | DEVIATIONS ( if any ) | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) |
|---|---|---|---|---|---|---|---|---|
| 1 | PERFORMANCE & RISK MANAGEMENT | Ensure that the deadlines and time frames according to the Annual Year Planner for this particular financial year are adhered to . | | *SEE - GOAL 3 ( As applicable to the whole Unit / Department )* | N.A. | N.A. | N.A. | N.A. |
| 2 | SERVICE DELIVERY | The provision of basic needs and services to the citizens of the municipality in accordance with legislation, the approved policies and planning documents of the Council *(Budget, IDP & SDBIP)* | 1 | Balance service statistics | 95 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* | 95.7 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* |
| | | | 2 | Check and balance bulk electricity purchases and distribution losses | | | | |
| | | | 3 | Check and balance bulk water purchases and distribution losses | | | | |
| 3 | INSTITUTIONAL TRANSOR-MATION | To ensure optimal use of scarce resources by means of thorough planning and management on strategic level within the municipality in accordance with legislation, approved policies and planning documents of the council *(Budget, IDP & SDBIP)*. | 1 | Review policies for next cycle 2010 | 70 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* | 70.0 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* |
| 4 | LOCAL ECONOMIC DEVELOPMENT | To provide a comprehensive strategic management and actions with regard to the local economic development for the municipality that includes environmental scanning, strategy formulation & implementation, evaluation and control in accordance with the legislation, approved policies and planning documents of the Council *(Budget, IDP & SDBIP)*.. | 1 | Compile tariff for services rendered | 90 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* | 95.0 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* |

| NUMBER | GOALS WITH DEFINITIONS DERIVED FROM THE APPROVED SDBIP AS APPLICABLE TO THE 2009/2010 FINANCIAL YEAR | | THE PARTICULAR OUTPUT GOAL ENTAILS THE FOLLOWING | | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 1 | DEVIATIONS ( if any ) | RESULTS ACHIEVED PP HEAD OF DEPARTMENT CYCLE 2 | DEVIATIONS ( if any ) |
|---|---|---|---|---|---|---|---|---|
| 5 | FINANCIAL MANAGEMENT | To secure sound and sustainable management of the financial affairs of the municipality to establish treasury norms and standards for the local sphere of government and to provide for matters connected therewith in accordance with the approved planning documents of the Council | 1 | Vat return – 201 | 95 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* | 95.0 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* |
| | | | 2 | Reconcile Vat vote to general ledger | | | | |
| | | | 3 | Invest surplus money | | | | |
| | | | 4 | Review investment | | | | |
| | | | 5 | Reconcile investments | | | | |
| 6 | GOOD GOVERNANCE | The ensurance of public accountability in the form of equity, transparency, fairness and courtesy embodied in the Batho Pele principles that entails good customer service and communication to the users of government services in accordance with the approved planning documents of the council. | 1 | Create SOP for revenue procedures | 80 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* | 83.3 % | *For further details see the Purpose Portfolio of the Acting Chief Financial Officer* |
| | | | 2 | System changes to E-Venus | | | | |
| | | | 3 | Maintain revenue system | | | | |
| | | | 4 | Maintain Pre- paid system | | | | |
| | | | | AVERAGE PERFORMANCE | 86 % | | 87.8 % | |

*NOTES*

- *The Abovementioned KPI's is according to the approved SDBIP for this particular financial year.*
- *The Purpose Portfolios of the Department contains the Detailed information and Results of Objectives derived from the approved SDBIP*

## 15. OUTCOME : MANAGEMENT & RESPONSIBILITIES *( Both Hard Issues & Soft Issues )*

**ANNUAL MUNICIPAL PERFORMANCE OUTCOME**
**RESPONSIBILITIES & MANAGEMENT**
**2009/2010 FINANCIAL YEAR**

| UNIT / DEPARTMENT | RESPONSIBILITIES | OPVERALL MANAGEMENT | | AVERAGE % |
|---|---|---|---|---|
| | SDBIP OBJECTIVES DERIVED FROM PLANNING DOCUMENTS | MSACA THE UNDERSTANDING OF SYSTEMS, POLICIES, PROCESSES & LEGISLATION | MSALA LEADERSHIP SKILLS, ATTITUDE & GENERAL BEHAVIOR TOWARDS RESPONSIBILITIES | |
| **MAYORAL COMMITTEE** This measurement is relative to the Executive Mayor and the four members of the Mayoral Committee | 87,56 | 81,95 | 86.99 | 86.99 |
| **COUNCIL** This measurement is relative to the Speaker, Ward & PR Councillors | 77,8 | 68,87 | 75.68 | 75.68 |
| **SNR MANAGEMENT TEAM** This measurement is relative to the Section 56 & 57 Employees that reflects the Senior Management Team. | 91,35 | 79,04 | 80.34 | 102.11 |
| **ADMINISTRATIVE OFFICE : EXECUTIVE MAYOR** This measurement is relative to the office personnel in the office of the Executive Mayor. | 93,56 | 77,06 | 83.51 | 83.51 |
| **ADMINISTRATIVE OFFICE : SPEAKER** This measurement is relative to the office personnel in the office of the Speaker | 95,5 | 83,96 | 89.09 | 89.09 |
| **SERVICE DELIVERY** Project , Electricity, Fleet & Roads & Storm Water | 91,3 | 67,96 | 74.87 | 74.87 |
| **COMMUNITY SERVICES** Health, Fire, Traffic, Sport, Recreation & Arts & Culture and Libraries | 92,7 | 67,34 | 77.76 | 77.76 |
| **DEVELOPMENT & PLANNING** Housing & Local Economic Development & LED Projects. | 86,74 | 70,33 | 76.48 | 76.48 |
| **CORPORATE SERVICES** Legal, IT & HR Services including the Administrative Support and preparation and distribution of Agendas & Minutes of Council | 86,66 | 72,29 | 82.54 | 82.54 |
| **FINANCIAL SERVICES** Budget, Income & Expenditure, Debtors & Creditors, Insurance as well as Supply Chain Services | 86.91 | 72,79 | 79.39 | 79.39 |
| AVERAGE % | 89,0 | 74,2 | 80,67 | 81.28 |
| STAR RATING | ★★★★ | ★★★ | ★★★★ | |

**MUNICIPAL PERFORMANCE OUTCOME FOR THE 2009/2010 FINANCIAL YEAR**
**81.28 = ★★★★**

## 16. OUTCOME : GENERAL BEHAVIOUR & ATTITUDES *(Internal Appraisal System )*

The outcome proves that an opinion exists within the municipality that all the sections can improve on their performance. If this is true, there is a clear lack in leadership and management within the municipality. It is therefore needed that the MMC Councillors and Management *(Section 56 & 57 Employees)* take accountability for their respective portfolios and/or administrative departments.

| ANNUAL MUNICIPAL PERFORMANCE OUTCOME<br>GENERAL BEHAVIOUR & ATTITUDES<br>2009/2010 FINANCIAL YEAR | | | |
|---|---|---|---|
| OUTCOME OF GENERAL BEHAVIOUR & HELPFUL ATTITUDES | | 1ST SIX—MONTH CYCLE | 2ND SIX-MONTH CYCLE |
| | | AVERAGE | AVERAGE |
| POLITICAL PILLAR | MAYORAL COMMITTEE | 3.60 | 4.0 |
| | SPEAKER, WARD & PR COUNCILLORS | 3.84 | 3.0 |
| ADMINISTRATIVE PILLAR | SENIOR MANAGEMENT TEAM | 4.20 | 4.1 |
| | ADMINISTRATIVE OFFICE : EXECUTIVE MAYOR | 3.90 | 3.9 |
| | ADMINISTRATIVE OFFICE : SPEAKER | 3.84 | 4.0 |
| | DEPARTMENT SERVICE DELIVERY | 3.66 | 3.62 |
| | DEPARTMENT COMMUNITY SERVICES | 3.40 | 4.00 |
| | DEPARTMENT DEVELOPMENT & PLANNING | 3.52 | 3.72 |
| | DEPARTMENT CORPORAE SERVICES | 3.93 | 3.62 |
| | DEPARTMENT FINANCIAL SERVICES | 3.34 | 3.6 |
| | AVERAGE | 3.72 | 3.76 |

## 17. OUTCOME : COMMUNITY PARTICIPATION *( External Appraisal System )*

The feedback of all the External Appraisal Questionnaires that were received from the community, were summarized in table format. The outcome thereof will be discussed and the general comments made by the participants will also be taken into account with the discussion. The feedback of each pillar will be discussed separately. The joint summary will be discussed in the conclusion of this report.

**POLITICAL PILLAR**

**A summarised table format of the outcome, reflects on PAGE 38 of this report**

With this survey we strived to identify whether the circumstances or conditions differ from ward to ward, but unfortunately less than 50% of the participants included a ward number and/or area of concern, with their feedback.

Despite the fact that ward numbers were not recorded, the total outcome still added value to the survey as the council can take cognizance from the communities on the areas of concern to be focused on in the short term.

The questionnaire made provision for subjects *(i.e. Customer Care)* that were further divided into areas of concern *(i.e. Office of the Mayor, Speaker or Councillors)*. The participants provided feedback in the form of a star rating that was calculated to a percentage :-

The general comments of participants on the documents who did not record a ward or an area of concern were as follows:-

Street names to be maintained and/or painted on the cement paving. Potholes to be repaired quicker. Maintenance of parks and open spaces. A later closing time for libraries on Saturdays. That everyone should be treated equally. That full services be provided as promised by government. A need for computers at all libraries and that the office of the Speaker is not well functional. Councillors are lazy and the rent is too high ! It can be noted that most of the abovementioned issues occur also in the summary as a concern.

The general comments of the participants who indicated a ward number, herewith the following :-

WARD 1

That the services at the clinic is very poor we would like to seen an improvement with specific reference to the nurse and staff members.

WARD 3

That councilors should communicate the maintenance and standard of sports grounds in the area.

WARD 4

People do not know the councilor for the Bergsig area. Parks & Open spaces should be properly maintained and/or developed for fun and games as these areas become potential spaces for crime and criminals to hide. The empty buildings *(municipal building)* who keep lights on at night.

WARD 5

Streetlights were mostly the concern in this area.

WARD 6

Roads and Streetlights should receive attention for the feeling was that it negatively affects the value of properties.

WARD 7

A request was made that the Executive Mayor & Speaker should call a public meeting. The books within the Shalimar Ridge Library are outdated that in turn does not help the school learners, and in the Rensburg Library, the community needs computer and internet facilities for research and studies. The state of the roads in Rensburg causes damage to vehicles. No medication at the Rensburg Clinic and the Sport facilities to be established and dustbins to be placed in the open park areas in Rensburg. The high rate of tax monies with specific reference to pensioners, needs attention.

WARD 9

The feeling is that councilors are doing nothing and that the street lights and apollo's be fixed with specific reference to the main roads.

WARD 10

Although community members have participated in the measurement, no comments were made.

WARD 11

Pensioners *(old people)* should not pay rent, it is unfair. The parks and opens spaces needs attention as well as that a need exists for sports facilities in the area. The customer services at the clinics should improve.

**ADMINISTRATIVE PILLAR**

**A summarised table format of the outcome, reflects on PAGE 39 of this report**

The general comments recorded by participants on the documents, were as follows:-

1. Parking areas in town to be improved
2. Check the Jameson Park area, it is pathetic
3. Open spaces & parks to be properly maintained and not burnt
4. Park areas are not clean, cut grass in park areas and fix broken playing equipment
5. Our letters are not handled in a proper manner and we do not receive feedback
6. Increase the time of communications between the municipality and the community
7. Rent for pensioners is too high ! what must we eat !
8. Sport facilities in Bergsig must be upgraded
9. Potholes in the roads can be repaired much quicker
10. We need overall development and development for young people as well
11. The Human Resources section must change the way in which they function *(recruitment)*
12. Learnership, Internship and Job Opportunities should be created

13. Poor Electricity - Extension 23 & 26 - Too many power failures
14. The reading of water & electricity meters needs attention
15. No Street lights at night in some areas of the municipal area – increase criminal activities
16. No traffic control – people skip stop streets
17. Street Names & Signs is in a very poor condition
18. Attention should be given with the resolving of consumer accounts
19. Incorrect meter readings remain a continuous problem
20. We hope that after this questionnaire, we will have a better service and a cleaner town
21. Please improve on your consultations, monitoring and support on projects
22. Arrange more batho pele workshops for staff members
23. Improve on your machinery in terms of electric allocation / poor power supply
24. Lack of switchboard facilities in the township offices
25. Consultation on the ground is needed, especially with the community
26. Indigents not properly accounted for
27. Development & Planning not based on statistics
28. Please check the condition of the Taxi-Rank and the building of the Sports Bar
29. Comply with the "Cleanest" town in Gauteng
30. Please make a plan with the Informal Traders - it looks pathetic
31. Stop estimating our water & electricity readings – we are paying too much for nothing
32. Staff members communicate badly with confused poor customers – Do not be Rude

## POSITIVE COMMENTS MADE BY COMMUNITY MEMBERS

1. Library very friendly & helpful
2. Kom mense - As almal help dan kan ons trots wees op ons dorp!
3. Ons dorp is 'n weerspieëling van wie ons is
4. Keep up the good service
5. Very helpful and professional

## 86 = 100 EXTERNAL APPRAISALS - POLITICAL PILLAR – JAN – JUN 2010

| QUESTIONS | NUMBER | MEASUREMENT CRITERIA | TOTAL APPRAISED | HIGH | | MEDIUM | | LOW | CALCULARED RISK | | GENERAL COMMENTS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 1 STAR ☆ UNACCEP-TABLE | 2 STAR ☆ ☆ POOR | 3 STAR ☆ ☆ ☆ ACCEP-TABLE | 4 STAR ☆☆☆☆ GOOD | 5 STAR ☆ ☆ ☆ ☆ ☆ EXCELLENT | HIGH % | MEDIUM % | |
| **CUSTOMER CARE** What star rating would you give for the way in which your complaints and feedback thereof is handled. | 1 | COUNCILLORS | 74 | 18 | 25 | 17 | 12 | 2 | 58.1 | 39.2 | *With a 56.6% average Council can improve on Customer Care* |
| | 2 | OFFICE OF EXECUTIVE MAYOR | 68 | 16 | 23 | 15 | 13 | 1 | 57.4 | 41.2 | |
| | 3 | OFFICE OF THE SPEAKER | 70 | 18 | 20 | 21 | 10 | 1 | 54.3 | 44.3 | |
| **INFORMATION** How would you rate the information communicated to you as community member during ward meetings *(this includes - Policies, Systems, Budget Matters, Imbizo's, Road Shows & MEC Visits and other )* | 4 | COUNCILLORS | 58 | 14 | 23 | 13 | 6 | 2 | 63.8 | 32.8 | *With a 57.27% average The community need more information at Ward Committees and other meetings* |
| | 5 | OFFICE OF EXECUTIVE MAYOR | 63 | 15 | 19 | 16 | 10 | 3 | 53.9 | 41.3 | |
| | 6 | OFFICE OF THE SPEAKER | 61 | 15 | 18 | 15 | 8 | 5 | 54.1 | 37.7 | |
| **GENERAL COMMUNICATION** What star rating would you give for Assistance, Guidance & communication when you visit our councillors or political offices. | 7 | COUNCILLORS | 70 | 14 | 26 | 14 | 14 | 2 | 57.1 | 40.0 | *With a 58.07% average communication in general will need attention.* |
| | 8 | OFFICE OF EXECUTIVE MAYOR | 68 | 14 | 25 | 18 | 8 | 3 | 57.4 | 38.2 | |
| | 9 | OFFICE OF THE SPEAKER | 67 | 14 | 26 | 16 | 9 | 2 | 59.7 | 37.3 | |
| **MUNICIPAL INFRASTRUCTURE** How would you rate the standard of the Infrastructure in your ward | 10 | WATER | 66 | 7 | 18 | 19 | 13 | 9 | 37.9 | 48.5 | *With a 45.7% average Infrastructure is acceptable except for Street lights and Roads in ward areas.* |
| | 11 | ELECTRICITY | 65 | 10 | 19 | 16 | 13 | 7 | 44.6 | 44.6 | |
| | 12 | SEWER | 67 | 7 | 18 | 23 | 14 | 5 | 37.3 | 55.2 | |
| | 13 | ROADS | 65 | 9 | 26 | 14 | 8 | 8 | 53.8 | 33.8 | |
| | 14 | STREET LIGHTS | 71 | 12 | 27 | 16 | 11 | 5 | 54.9 | 38.0 | |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **FACILITIES**<br>How would you rate the availability of other community services | 15 | *HEALTH & CLINIC SERVICES* | 76 | 12 | 24 | 17 | 17 | 6 | 47.4 | 44.7 | *With a 51.97% average Facilities remains a challenge for the different wards of the municipal area.* |
| | 16 | *COMMUNITY SERVICES* | 72 | 8 | 26 | 21 | 16 | 1 | 47.2 | 51.4 | |
| | 17 | *SPORTS GROUNDS* | 70 | 11 | 32 | 18 | 9 | 0 | 61.4 | 38.6 | |
| | 18 | *SPORT FACILITIES* | 67 | 13 | 32 | 14 | 7 | 1 | 67.2 | 31.3 | |
| | 19 | *SOCIAL & LIBRARY SERVICES* | 77 | 7 | 19 | 9 | 19 | 23 | 33.8 | 36.4 | |
| | 20 | *PARKS & OPEN SPACES* | 73 | 10 | 30 | 24 | 7 | 2 | 54.8 | 42.5 | |

## 104 = 100 EXTERNAL APPRAISALS - ADMINISTRATIVE PILLAR – RAISALS ILLA

| QUESTION | NUMBER | RELATED UNIT / DEPARTMENT | TOTAL PARTIC I-PANTS | HIGH | | MEDIUM | | LOW | CALCULATED RISK | | GENERAL COMMENTS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 1 STAR ☆ UNACCEP-TABLE | 2 STAR ☆ ☆ POOR | 3 STAR ☆ ☆ ☆ ACCEP-TABLE | 4 STAR ☆☆☆☆ GOOD | 5 STAR ☆ ☆ ☆ ☆ ☆ EXCEL-LENT | HIGH % | MEDIUM % | |
| **COMMUNICATION**<br>What star rating would you give for the way in which your communication with the local municipality is handled. | 1 | *SWITCHBOARD* | 91 | 14 | 26 | 31 | 16 | 4 | 44.0 | 51.6 | *With a 44.33% average Communication from council offices can improve* |
| | 2 | *OTHER VERBAL* | 85 | 9 | 29 | 21 | 17 | 8 | 44.7 | 44.7 | |
| | 3 | *WRITTEN* | 88 | 11 | 28 | 31 | 11 | 6 | 44.3 | 47.7 | |
| **CUSTOMER CARE AND BATHO PELE PRINCIPLES**<br>What star rating would you give for the way in which your complaints and feedback thereof are handled. | 1 | *Municipal Manager* | 70 | 13 | 20 | 18 | 16 | 3 | 47.1 | 48.6 | *With a 46.72% average Complaints received by the community is not handled on a required standard.* |
| | 2 | *Financial Services* | 71 | 18 | 23 | 14 | 14 | 2 | 57.7 | 39.4 | |
| | 3 | *Development & Plan.* | 79 | 12 | 23 | 22 | 15 | 7 | 44.3 | 46.8 | |
| | 4 | *Engineering Services* | 69 | 10 | 20 | 18 | 18 | 2 | 43.5 | 52.2 | |
| | 5 | *Community Services* | 66 | 11 | 19 | 20 | 14 | 2 | 45.5 | 51.5 | |
| | 6 | *Corporate Services* | 64 | 11 | 16 | 21 | 15 | 1 | 42.2 | 56.3 | |
| **BASIC SERVICES** | 1 | *WATER* | 89 | 8 | 17 | 19 | 32 | 13 | 28.1 | 38.0 | *With a 33.9% average It can be accepted that basic service is* |
| | 2 | *ELECTRICITY* | 92 | 16 | 20 | 18 | 29 | 9 | 39.1 | 51.1 | |

## 104 = 100 EXTERNAL APPRAISALS - ADMINISTRATIVE PILLAR – RAISALS ILLA

| QUESTION | NUMBER | RELATED UNIT / DEPARTMENT | TOTAL PARTIC I-PANTS | HIGH | | MEDIUM | | LOW | CALCULATED RISK | | GENERAL COMMENTS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | 1 STAR ☆ UNACCEP-TABLE | 2 STAR ☆ ☆ POOR | 3 STAR ☆ ☆ ☆ ACCEP-TABLE | 4 STAR ☆☆☆☆ GOOD | 5 STAR ☆ ☆ ☆ ☆ ☆ EXCEL-LENT | HIGH % | MEDIUM % | |
| What star rating would you give for the standard of, and access to basic services. | 3 | *SEWER* | 89 | 11 | 15 | 25 | 30 | 10 | 29.2 | 61.8 | *acceptable.* |
| | 4 | *REFUSE* | 78 | 10 | 17 | 24 | 25 | 2 | 34.6 | 63.8 | |
| | 5 | *STORMWATER* | 78 | 11 | 19 | 23 | 19 | 6 | 38.5 | 53.8 | |
| **INFRASTRUCTURE** What star rating would you give for the standard of the infrastructure in your area. | 1 | *Roads* | 87 | 11 | 41 | 15 | 13 | 7 | 59.8 | 32.2 | *With a 48.46% average It can be accepted that the Infrastructure is acceptable.* |
| | 2 | *Streetlights* | 85 | 13 | 26 | 24 | 17 | 5 | 45.9 | 48.2 | |
| | 3 | *Road Signs* | 78 | 11 | 20 | 27 | 14 | 6 | 39.7 | 52.6 | |
| **CLEAN TOWN** How would you rate the cleanliness of your town. | 1 | *SIDE WALKS* | 100 | 23 | 32 | 22 | 18 | 5 | 55.0 | 40.0 | *With a 53.0% average The participants are not happy with the neatness of the town.* |
| | 2 | *PARK AREAS* | 99 | 26 | 32 | 23 | 13 | 5 | 58.6 | 36.4 | |
| | 3 | *OPEN SPACES* | 96 | 27 | 26 | 31 | 9 | 3 | 55.2 | 41.7 | |
| | 4 | *TOWN ENTRANCES* | 95 | 19 | 22 | 24 | 20 | 10 | 43.2 | 46.3 | |

## 18. EXECUTIVE SUMMARY

**COMPARATIVE PERFORMANCE OUTCOME OVER TWO FINANCIAL YEARS**

**2009/2010 Financial Year in comparison with the 2008/2009 Financial Year**

| UNIT / DEPARTMENT | APPLICABLE CYCLE | SDBIP OBJECTIVES DERIVED FROM PLANNING DOCUMENTS | MSACA THE UNDERSTANDING OF SYSTEMS, PROCESSES & LEGISLATION | MSALA LEADERSHIP SKILLS, ATTITUDE & GENERAL BEHAVIOR TOWARDS RESPONSIBILITIES | AVERAGE % | AVERAGE STAR RATING | ANNUAL PERFORMANCE OUTCOME |
|---|---|---|---|---|---|---|---|
| EXECUTIVE MAYOR AND MMC COUNCILLORS | 2008/ 2009 | 78,5 | 79,55 | 80.35 | 33.45 | ☆☆☆☆ | 6 ☆ ☆ |
| | 2009 / 2010 | 87.57 | 91.95 | 86.99 | 88.84 | ★★★★★ | |
| SPEAKER, | 2008/ 2009 | 84,05 | 67,79 | 74.15 | 25.38 | ☆☆☆☆ | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| WARD & PR COUNCILLORS | 2009 / 2010 | 77.8 | 68.87 | 75.68 | 74.12 | ★★★ | |
| SENIOR MANAGEMENT TEAM | 2008/ 2009 | 88.55 | 79.47 | 82.91 | 83.64 | ★★★★ | |
| | 2009 / 2010 | 91.35 | 79.04 | 80.34 | 83.58 | ★★★★ | |
| ADMINISTRATIVE OFFICE OF THE MAYOR | 2008/ 2009 | 88.50 | 78.02 | 82.74 | 83.09 | ★★★★ | |
| | 2009 / 2010 | 95.5 | 77.06 | 83.51 | 85.36 | ★★★★ | |
| ADMINISTRATIVE OFFICE OF THE SPEAKER | 2008/ 2009 | 97.5 | 83.32 | 88.18 | 89.67 | ★★★★★ | |
| | 2009 / 2010 | 91.3 | 83.96 | 89.09 | 88.12 | ★★★★★ | |
| DEPARTMENT SERVICE DELIVERY | 2008/ 2009 | 74,85 | 64.40 | 71.08 | 45.49 | ★★★ | FOR 2009/2010 81.28 ★★★★ |
| | 2009 / 2010 | 92.7 | 67.96 | 74.87 | 78.51 | ★★★★ | |
| DEPARTMENT COMMUNITY SERVICES | 2008/ 2009 | 86.90 | 63.26 | 77.04 | 75.73 | ★★★★ | |
| | 2009 / 2010 | 86.74 | 67.34 | 77.76 | 77.28 | ★★★★ | |
| DEPARTMENT DEVELOPMENT & PLANNING | 2008/ 2009 | 74.45 | 69.74 | 74.09 | 72.76 | ★★★ | |
| | 2009 / 2010 | 86.66 | 70.33 | 76.48 | 77.82 | ★★★★ | |
| DEPARTMENT CORPORATE SERVICES | 2008/ 2009 | 83,45 | 61,42 | 78.40 | 26.8 | ★★★ | |
| | 2009 / 2010 | 86.91 | 72.29 | 82.54 | 80.58 | ★★★★ | |
| DEPARTMENT FINANCIAL SERVICES | 2008/ 2009 | 89.65 | 72.14 | 80.00 | 80.60 | ★★★★ | |
| | 2009 / 2010 | 89.0 | 72.79 | 79.39 | 80.39 | ★★★★ | |

## 19. CONCLUSION

1. The Lesedi Local Municipality have INCREASED in performance for the **2009/2010 Financial** with an outcome of **81.28%** in comparison with an outcome of **77.29%** of the 2008/2009 Financial Year. That is an achievement that the municipality can be proud of and by addressing the deviations as identified in this report, we can become the best municipality in Gauteng and also be able to proof that.

2. **CHALLENGES AS IDENTIFIED IN THE PERFORMANCE OUTCOME** *( Both Hard Issues & Soft Issues )*
The challenges that was identified throughout this report was communication, general behaviour and leadership that should definitely need the attention of the MMC Councillors under the leadership of the Executive Mayor and the heads of the Departments under the leadership of the Municipal Manager. Measurable objectives against set targets must receive attention by means of effective and efficient communication and performance review discussions and to ensure that every employee within the municipality understand the IDP, the Budget and all the policies of the council. The Executive Managers must take accountability for their departments.

3. **JOINT SUMMARY ON COMMUNITY PARTICPATION** *( External Appraisal System )*

The issues raised by the community and the areas of concern that were highlighted, can easily be addressed due to the fact that all matters falls within the powers of the Council. The council's budget do make provision for the matters i.e. maintenance of streets, cleaning of parks, side walks and open spaces. The maintenance of sport grounds and the improving on communication.

The outcome of the survey proves that there is an outcry for better communication between the Lesedi Local Municipality and the community that we are serving. This includes Ward Councillors, Ward Committees as well as the Administrative Pillar with all departments.

There is also a concern around customer care *(batho pele principles)* which should be improved by the Lesedi Local Municipality. On this subject again, it should be a team effort and each section should strive to improve, but all Heads of Departments should commit their departments to improve.

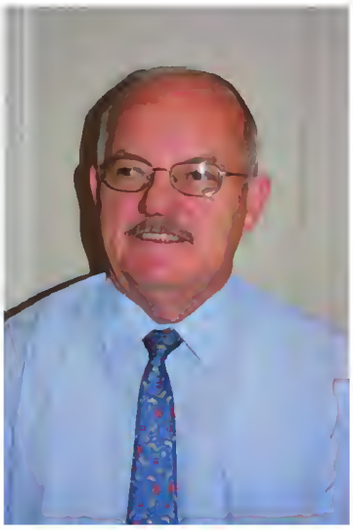
The 32 issues as listed in the report should form part of the purpose portfolios of all Heads of Departments and ward councillors and the council will be obliged to monitor these issues quarterly to ensure an improvement.

I think we clearly understand the challenges of local government, but this municipality has the ability to address all the challenges as identified in this report. If all of us work together as a team, we will ensure a positive change.

From the office of the Municipal Manager, I am sure that if each Head of Department take full responsibility for their departments, and take their staff along with them, this will in turn ensure that employees understand their responsibilities and believe in themselves. With a positive attitude, this municipality can grow from strength to strength.

PJ VAN DEN HEEVER
**MUNICIPAL MANAGER**
**Date : 31 August 2010**

# LESEDI LOCAL MUNICIPALITY
# **SENIOR MANAGEMENT**



PJ van den Heever
**Municipal Manager**

Banzi Majola
**Development and Planning**

Cynthia Mokoena
**Executive Manager:**
**Community Services**

Hennie Coetsee
**Executive Manager:**
**Service Delivery**

Patrick Lehana
**Executive Manager:**
**Management and Support Services**

# LESEDI LOCAL MUNICIPALITY
# EXECUTIVE MAYOR AND SPEAKER

B J Modisakeng
**Executive Mayor**

S M Phala
**Speaker**

# LESEDI LOCAL MUNICIPALITY
# MEMBERS OF THE MAYORAL COMMITTEE

T S Moremi
**MMC: Finance & Administration**

Ald. J C Jonck
**MMC: Community Services**

L F Maloka
**MMC: Development & Planning**

A V Madonsela
**MMC: Service Delivery**

# LESEDI LOCAL MUNICIPALITY
# **COUNCILLORS**

Councillor
A K Majola

Councillor
F Minnaar

Councillor
M Boshoff

Councillor
L Minnaar

Councillor
S D Mkhwanazi

Councillor
J J Tshabalala

Councillor
Adv. S J Roos

Councillor
S M Sibeko

Councillor
H I J Marais

Councillor
P B Tsotetsi

Councillor
P E Twala

Councillor
L J Mokoena

Councillor
S T Makhubu

Councillor
M T Maleka

Councillor
J Borman

**ANNUAL REPORT 2009/2010 FINANCIAL YEAR**

Many municipalities in South Africa experienced a decline in debt collection and cashflow stress. The position statement of Lesedi Local Municipality (LLM) was under pressure during the 2009/2010 Financial Year.

The budget was compiled in terms of the Generally Recognised Accounting Practices(GRAP). The Medium Term Revenue & Expenditure Framework (MTREF) was supported by a long-term financial strategy.

- Everyone will have access to clean water, electricity and descent sanitation
- To grow economy by attracting investors in order to enables us to reduce poverty by half
- No community will still be using bucket system by 2007
- To ensure that we provide better quality houses which are closer to economic opportunities
- Implement large projects that will help create more work opportunities
- Implement special programmes for rural areas where poorest people live including assistance in setting up food gardens.

The Mid-Year Budget was reviewed and adjusted in the context with the Generic Economic Climate(GEC) and shortage of working capital. During this process attention were given to the elimination of unnecessary spending and non-essential activities. The Mid-Year Budget(2009/2010) and the Mid-Year Report (2009/2010), as well as the Annual Report (2008/2009) were tabled and approved by Council at the end of January 2010.
The Reviewal process of the IDP & the Budget were discussed with the community and the Lesedi Council adhered to the following legislation:

- Municipal Finance Management Act
- Property Rates Act
- Municipal Systems Act
- Supply Chain Management Regulations
- The New Budget Regulations

The monthly, quarterly and mid-year reports for the financial department were submitted to all relevant departments and stakeholders. The Budget, IDP was approved by council and the Financial Statements for the 2009/2010 financial year was by council during September 2010 and submitted to National Treasury and the Department of Local Government within the time frames as prescribed by legislation. Lesedi Local Municipality is financially sound and most of the creditors are paid within 30 days.

The new financial system (E-Venus) that was approved by council has been implemented and all the challenges that occurred during the financial year was addressed and the system is currently fully operational within the financial department of the council.

Attention was given to the elimination of distribution losses with respect to water and electricity. Audits have been done on electricity meters to reduce the tampering and bypassing of electricity meters. This unfortunately lead to high electricity distribution losses. The percentage of electricity losses amounted to 12,17% as at 30 June 2010. Unreported water leakages had the consequence of an 8,27% in water distribution losses.

The Audit-Committee of Lesedi Local Municipality met more than three times during the 2009/2010 financial year under the review as prescribed by legislation. The internal audit function of Lesedi has been outsourced.

Price Waterhouse Combined System Solutions was appointed by means of a fair tender process to assist the Lesedi Council with its asset register that was complied according to the new GAMAP/GRAP accounting standards.

**STATEMENT OF FINANCIAL PERFORMANCE ANALYSIS**

The total revenue for 2009/2010 financial year amounted to **R 298, 3** million (R 281 million: 2008/2009 ). Service charges are the main source of revenue and the income for service charges have cross-subsidised other services. An amount of R **189, 2** million was received for service charges. An amount of **R 71, 2 million** was received for Governmental Grants and subsidies.

The total expenditure for the 2009/2010 financial year amounted to **R 312, 6** million (R 260, 5 million: 2008/2009). Salaries and allowances amounted to **R 73, 6 million** (R 67, 1 million: 2008/2009) for the financial year. The total expenditure is inclusive of the provision for bad debts, provision for accumulated leave as well as depreciation. Bulk purchases and salaries and allowances represented a bigger percentage of the total expenditure.

A deficit for the year amounted to R 14, 3 million. Statement of changes in net assets in the annual financial statements summarises the key movements.

**EXTERNAL LOANS AND INTERNAL ADVANCES**

A new external loan of R13 million for 2009/2010 has been approved by Council for the following:-

| | | |
|---|---|---|
| R 1 352 750.00 - Water Network Extension and upgrading - Industrial Area | | |
| | | |
| R 3 000 000.00 - Stormwater Upgrade: Lesedi | | |
| R 600 000.00 - Upgrade Low Tension Network: Heidelberg | | |
| R 300 000.00 - Upgrade & Extending Network : Jameson Park | | |
| R 2 500 000.00 - Move 11 KVA Line Vereeniging Road | | |
| R 300 000.00 - New Protective Meter kiosk: Ratanda | | |
| R 1 269 000.00 - Frontend Loader | | |
| R 1 619 000.00 - Grader | | |
| R 1 759 250.00 - Upgrading of Electrical Substation: Heidelberg/Jameson Park/Impumelelo/Ratanda | | |
| All fixed assets are depreciated in terms of the new accounting policy and interest on external loans is accounted for. | | |

**SUPPLY CHAIN MANAGEMENT**

The Council's SCM policy was reviewed and approved by Council in June 2010.
The Supply Chain Policy contains the following fundamental aspects:

1. Adherence to the constitutional expectations regarding the procurement system
2. Adherence to the Preferential Procurement Policy Framework Act
3. Adherence to the Municipal Finance Management Act
4. Adherence to delegation of powers as per requirements of the law

- A Bid Adjudication committee was incepted in the last quarter of 2005
- All Bid committees were subsequently aligned in 2006, namely Bid Specification, Bid Evaluation and Bid Adjudication, all committees were functional throughout the financial year under review.
- No Councilors serve on these committees, as prescribed by the Municipal Finance Management Act. No 56 (Act 56 of 2003)

Council has a Supply Chain Management unit, that is functional under the control of the Expenditure & Supply Chain Section in the office of the Chief Financial Officer. One intern was appointed on a one year contract basis in **2009/2010** using the Finance Management Grant to fund it, due to budget constraints on council's coffers.

A supplier's database was maintained and updated annually. An advert was issued inviting all suppliers and prospective suppliers to register on the municipal supply chain management database.

The INTENDA management system has been installed and was functional as from the 1st of July 2010. This system assisted the Lesedi Local Municipality in the rotation of their suppliers.

Acquisition is informed by operational budget practices and principles such as - the use of the section incorporating logistics and disposal management.

Demand management manifests from the Integrated Development Plan, Capital and Operating budgeting exercises.

Risk Management was implemented by the Budgeting & Reporting Section, focusing on assets, insurance, fleet management for vehicles by the Service Delivery department, Information Technology section for information storage and backup system in the Corporate Services department.

**INVESTMENTS**

The external investments with banking institutions and short-term deposits for the 2009/10 financial year amounted to R 15 million (9m with ABSA and 6m with Investec). External investments are made according to an investment policy of Council.

External interest earned for the 2008/09 financial year amounted to **R 2, 4** million (R7.2m: 2008/09) and paid out interest on loans amounting to **R 4, 6** million, resulting in a Nett deficit of **R 2, 1** million for the year.

**GENERAL - FINANCIAL CONTROLS**

Effective internal financial controls implemented by finance department during 2008/09 financial year, resulted in the Auditor-General, issuing an unqualified audit report. The opinion of the Auditor General, regarding the financial position of the Lesedi Municipality, was that the financial positions of council, as well as the results of its operations and cash flows for the year, were in accordance with the prescribed accounting practices.

**DEBT COLLECTION / CREDIT CONTROL**

**INDIGENT POLICY**

Council's indigent policy has been implemented to assist poor households, which cannot afford the services rendered. All households receive 50 kilowatts of electricity and 6 kilolitres of water free, and in addition an amount of R150 per household per month is credited to their account in order to assist them with refuse removal, assessment rates and sewerage costs. All outstanding arrears at the date of approval of an indigent status were written off.

**BILLING OF DEBTORS**

Council has strict controls regarding the timeous issuing of debtors statements for services rendered to its consumers. As a result of this the payment of the accounts by the consumers average 75% of the monthly amounts due. This is followed up by cut-off instructions issued against non-payers of services rendered by the Council.

A service provider was used from time to time, to identify households tempered with the electricity or water meters of Council. If the services of a household have been suspended due to tampering, the owner is responsible for all costs involved before the services are restored.

**SUPPLIERS' PERFORMANCE RATINGS**

Rating : 1 - Low
2 - Moderate to Some Concern
3 - Moderate
4 - High

**EVALUATION OF SUPPLIERS**

**2009/2010**

| SUPPLIER | DESCRIPTION OF SERVICE | AMOUNT SPENT (2009/2010) | COMMENTS | RATE |
|---|---|---|---|---|
| Coin Security | Collecting and banking of cash received | **R 486 474.72** | A tender was issued to formalize the contract of the service provided, not finalized at year-end. No responses received after advertising twice. | 4 |
| Micro Mega | Record and Capture monthly meter readings.<br><br>Connections and disconnections of consumers.<br><br>Disconnection and reconnections of defaulters. | **R 1 286 812.43** | Regular meetings are held with the project manager and minor issues are resolved at these meetings.<br><br>Where urgent issues exist, the director of the company is approached directly and problems are addressed accordingly.<br><br>Large number of unread meters with reasons is still a problem. | 2 |

Service Delivery: Mr H Coetzcee

The Council bought a New Grader for R1.6 million for maintenance on the 250 km of gravel roads in the Lesedi area. R1.5 million was budgeted to reseal 2, 5 km of Roads in Heidelberg and Ext 16.

The Refuse that are transferred to Platkop per year are ± 20, 4 million ton of waste and increase yearly. The Council bought a front end loader for R1.3 million to load waste.

The Council budgeted in the 2010/011 budget R2 million to buy two extra Refuse Collective Vehicles. The Council water usage increases yearly. The water usages are ±5,400 mega litres of water.

The Council Electrical Bulk supply also increased and the ESKOM new bulk supply to Heidelberg, Ratanda and Jameson Park will be completed end of November 2010.

The Service Delivery Department has ± 500 complaints per month that are successfully completed.

The New 6 Ml reservoir are completed and funds used was R8 million.

**CAPITAL PROJECTS 2009/2010**

**WATER PROJECTS**

| **DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010** | |
|---|---|
| **PROJECT NAME AND COST** | |
| **Network Extensions and Upgrading**<br><br>Industrial Area<br>Budget: R1 400 000<br>Funds Used: R1 400 000<br>Consultant: Sivest<br>Contractor: Fukama | Employed a Black Employed company. The water networks are constantly upgraded and extended in order to ensure better service delivery and to reduce operation and maintenance costs.<br>Project completed. |
| **Bulk Water Supply Obed Nkosi 6 Ml reservoir**<br><br>Budget: R8 million<br>Funds Used: R8 000 000<br>Consultant: Merbombo<br>Contractor: Lobakeng Construction | Employed a Black Empowered Company making use of 1 CLO and 10 temporary workers. Project is completed. |
| **Bulk Water Supply Obed Nkosi Pipeline** | |

| DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010 | |
|---|---|
| **PROJECT NAME AND COST** | |
| Budget: R6 000 000<br>Funds Used: R3 364 000<br>Consultant: SCIP<br>Contractor: Mamohato Construction | Project 50% completed. Project will be completed during 2010/2011 budget. |
| **Upgrade Water Rural Areas**<br><br>Budget: R50 000<br>(In House)<br>Funds Used: R50 000 | Repaired a windmill and water pump at Tamboekiesfontein. Repaired a windmill at Langzeekoeigat and Witkop. Project completed. |

## SEWAGE PROJECTS

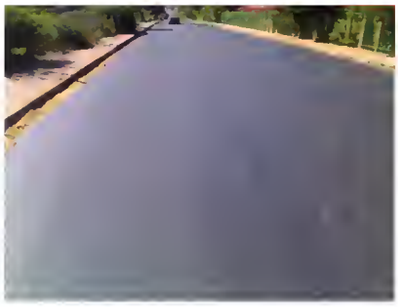
| DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010 | |
|---|---|
| **PROJECT NAME AND COST** | |
| **Network Upgrading Lesedi (Ongoing)**<br><br>Budget: R200 000<br>(In-house)<br>Funds Used: R196 000 | The sewer networks are constantly upgraded and extended in order to ensure better service delivery and to reduce operation and maintenance costs.<br>Upgrading of sewer network in Impumelelo. |
| **Maintenance of Sewer Network**<br><br>Budget: R170 000 (In-House)<br>Funds Used: R167 589 | The sewer network is constantly maintained |

## ROADS, STORMWATER AND PUBLIC WORKS PROJECTS

| DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010 | |
|---|---|
| **PROJECT NAME AND COST** | |
| **Roads Lesedi, Ratanda 1,6,7,5,23 and Impumelelo Ext 2.**<br><br>Budget: R14 602 000<br>Funds Used: R8 902 000<br>Funds roll over: R5 700 000<br>Consultant: SCIP<br>Contractor: Century Civils | Project 95% completed. Build 4,4 km paved roads. Employed a Contractor making use of Black Empowered Sub Contractors, making use of 2 CLO and 6 Sub contractors was used. 153 Local labourers were used. |
| **Road Resealing Lesedi**<br><br>Budget: R1 500 000<br>Funds Used: R1 488 930<br>Consultant: Tumber Fourie<br>Contractor: Roadmac Surfacing | Project completed. 2 km of road was resealed and in front of the old Council building in Heidelberg. A black empowered company was used. |
| **Upgrade Stormwater Heidelberg Central**<br><br>Budget: R3 000 000<br>Funds Used: R527 508<br>Consultant: Aurecon<br>Contractor: Katshese Tendering | Project 30% completed. Project will be completed in the 2010/2011 budget. |
| **Roads & Stormwater Master Plan**<br><br>Budget: R1 000 000<br>Funds Used: R763 500<br>Consultants: LMJ/GMH Tselelo | Project Completed. |
| **General Maintenance Roads**<br><br>Budget: R935 000<br>(In House)<br>Funds Used: R880 000 | Maintenance of roads<br>Appointed 30 temporary workers to clean streets in Ratanda. |

## ROADS IN RATANDA & IMPUMELELO

## RESEALING OF ROADS



## UPGRADING OF STORMWATER CHANNELS

## SPORT RECREATION & CULTURE PROJECTS

| DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010 | |
|---|---|
| **PROJECT NAME AND COST** | |
| **Vishckuil Library**<br><br>Budget: 2 000 000<br>Funds Used: R870 452,81<br>Contractor: D.Mthombe Construction | Project Completed. Employed a Black Empowered Company. |

## ELECTRICITY PROJECTS

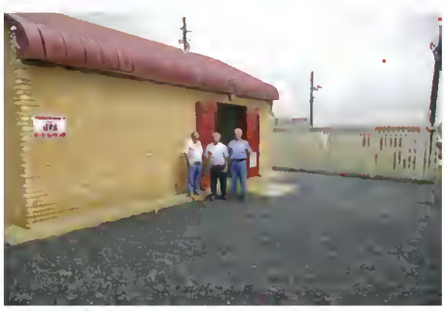
| DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010 | |
|---|---|
| **PROJECT NAME AND COST** | |
| **Upgrade Low Tension Network: Heidelberg**<br><br>Budget: R600 000<br>(In House)<br>Funds Used: R600 000 | Project Completed. Employed a Black Empowered Company. |
| **Upgrade Network: Jameson Park**<br><br>Budget: R300 000<br>Funds Used: R290 046 | Project is completed. Upgrading of low and high tension lines to ensure a stable electrical supply to the consumers. |
| **Install New Protective Meter Kiosk**<br><br>Budget: R600 000<br>Funds Used: R540 000<br>Contractor: BA Tsonga Electrical<br>Contractor: Macu Electrical | The installation of these safety meter kiosks are successful to date and cuts down on electrical losses caused by people bypassing electrical meters.<br>A contractor was appointed to supply the protective meter kiosks.<br>A Local Black empowered contractor was used to do the internal electrical work. |
| **Upgrade Electrical Bulk Supply: Heidelberg, Ratanda & Jameson Park**<br><br>Budget: R7 935 379<br>Funds Used: R6 000 000<br>Consultant: Lyo Emfuleni<br>Contractor: Immediate Electrical | Project will be completed in 2 years. Council paid already R27 million to ESKOM for upgrade of the substations. Ratanda sub 60%, Heidelberg sub 80%, Jameson Park 70%. |

| DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010 | |
|---|---|
| **PROJECT NAME AND COST** | |
| **Substation Impumelelo**<br><br>Budget: R2 500 000<br>Funds Used: R2 500 000<br>Consultant: Lyon & Partners<br>Contractor: Immediate Electrical | Black Empowered Contractor appointed. Project completed. A CLO and 12 local labourers were appointed for the project. |
| **General Maintenance**<br><br>Budget: R7 000 000<br>In-house<br>Funds Used: R7 000 000 | Regularly maintenance is done on substations, underground reticulations and overhead lines. |
| **General Maintenance streetlights**<br><br>Budget: R650 000<br>In-house<br>Funds Used: R642 397,50 | Regularly maintenance is done on 2500 streetlights 125 High Mast Lights. |
| **11 kV Lines on the Vereeniging Road**<br><br>Budget: R2 500 000<br>Funds Used: R2 500 000<br>Consultant: Parima Consultant | Project completed. |

| DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010 |
|---|
| **CONTRACTOR: J.A.S. NODLOVU** |

**PROTECTIVE METER KIOSKS**

**IMPUMELELO SUBSTATION**



## JAMESON PARK & RETIEF SUBSTATION

## RETIEF SUBSTATION NEW 11kV SWITCHGEAR

## UPGRADING OF LOW TENSION NETWORK

## NEW 11kV LINES VEREENIGING ROAD

| DEPARTMENT ENGINEERING SERVICES<br>PROJECTS UNDERTAKEN FOR THE PERIOD JULY 2009 TO JUNE 2010 | |
|---|---|
| **PROJECT NAME AND COST** | |
| **BUYING OF COUNCIL VEHICLES (In-House)**<br><br>Grader - R1 619 000 - New Holland<br>Rescue Vehicle - R 636 686.97 - Fire & Emergency vehicles<br>Front End Loader - R 1 269 000 - New Holland | Black Empowered Contractor appointed. Project completed. A CLO and 12 local labourers were appointed for the project. |

## NEW GRADER AND TRAINED PERSONNEL

**Total Local People employed by the Lesedi Local Municipality and Contractors for 2009 / 2010 budget**

| CLO | WOMAN ADULT | MEN ADULT | YOUTH MALE | YOUTH FEMALE |
|---|---|---|---|---|
| 5 | 35 | 68 | 100 | 17 |

### SERVICE DELIVERY PERFORMANCE RATE : SUPPLIERS

**Rating :**

1 - Low - Lack in service performance.
2 - Moderate Some Concern - Acceptable performances however room for improvements exist.
3 - Moderate - Acceptable performance with limited problems that are dealt and solve internally to both party's acceptance.
4 - High - Total satisfactory - no room for improvement.

| | SUPPLIER | RATE 2008/2009 | RATE 2009/2010 | BUDGET/ COMMENT |
|---|---|---|---|---|
| 1 | **ESKOM**<br>Main supply to Heidelberg Munic, Ratanda Munic, Jameson Park , Impumelelo and Kwanzenzele. | Moderate to some Concern (2) | Moderate to some Concern (2) | Eskom switch off without notice |
| 2 | **ERWAT (SEWER PLANTS)**<br>Heidelberg Plant Impumelelo Plant | High (4) | Moderate (2) | |
| 3 | **RAND WATER BOARD**<br>Heidelberg /Ratanda, Impumelelo, Vischkuil/Devon | High (4) | Moderate (4) | |
| 4 | **NEW ROADS RATANDA 1,6,7,5,23 & IMPUMELELO EXT 2** | | | R14 602 000 |
| | **CONSULTANTS**<br>Simunye Consulting and Implementation Partnership Pty LTD (SCIP) | High (4) | High (4) | Funds used: R 8 902 000 |
| | **CONTRACTOR**<br>Century Civils | High (4) | High (4) | Project will be completed in September 2010 |
| 5 | **RAND RESEALING** | | | R1 500 000 |
| | **LESEDI** | | | |
| | **CONSULTANT**<br>Tumber Fourie | | High (4) | |
| | **CONTRACTOR**<br>Roadmac Surfacing | | High (4) | Project completed in time |

| | SUPPLIER | RATE 2008/2009 | RATE 2009/2010 | BUDGET/ COMMENT |
|---|---|---|---|---|
| 6 | **UPGRADE STORMWATER HEIDELBERG CENTRAL**<br><br>**CONSULTANT**<br>Aurecon<br><br>**CONTRACTOR**<br>Katshese Tendering | | High (4) | R300 000<br><br>Funds used: R527 598<br><br>Project delayed due to the EIA process and will be completed end of September 2010 |
| 7 | **ROADS AND STORMWATER MASTER PLAN**<br><br>**CONSULTANT**<br>LMJ/GMH Tselelo | | High (4) | R1 000 000<br><br>Project completed |
| 8 | **8 BULK WATER SUPPLY OBED NKOSI 6 MI RESERVOIR**<br><br>**CONSULTANTS**<br>Merbombo<br><br>**CONTRACTOR**<br>Lobakeng | Moderate some concern (2)<br><br>Moderate some concern (2) | Moderate some concern (2)<br><br>Moderate some concern (2) | R8 000 000<br><br>Project behind schedule, will be completed end of Sep 10<br><br>Project behind schedule, will be completed end of Sep 10 |
| 9 | **NETWORK EXTENSION AND UPGRADING INDUSTRIAL AREA**<br><br>**CONSULTANT**<br>Sivest<br><br>**CONTRACTOR**<br>Fukama | | High (4)<br><br>High (4) | R1 400 000<br><br>Project completed |
| 10 | **BULK WATER SUPPLY OBED NKOSI PIPELINE**<br><br>**CONSULTANT**<br>SCIP<br><br>**CONTRACTOR**<br>Mamohato Construction | | High (4)<br><br>Low (1) | R6 000 000<br>Funds used: R3 364 000<br><br>Project performance is slowly due to non performance by the contractor. Project will be completed during 2010/2011 budget. |

| | SUPPLIER | RATE 2008/2009 | RATE 2009/2010 | BUDGET/ COMMENT |
|---|---|---|---|---|
| 11 | **VISCHKUIL LIBRARY**<br><br>**CONTRACTOR**<br>D.Mthombe Construction | | <br><br>High (4) | R870 452<br>Funds used: R527 598<br><br>Project completed. |
| 12 | **BUILDING SUBSTATION IN IMPUMELELO**<br><br>**CONSULTANT**<br>Lyon & Partners<br><br>**CONTRACTOR**<br>Immediate Electrical (Pty)Ltd | <br><br>High (4)<br><br><br>High (4) | <br><br>High (4)<br><br><br>High (4) | R2 500 000<br><br>Completion in Nov 09<br><br><br>Completion in Nov 09 |
| 13 | **BUILDING SUBSTATION IN IMPUMELELO**<br><br>**CONSULTANT**<br>Lyon & Partners<br><br>**CONTRACTOR**<br>Immediate Electrical (Pty)Ltd | <br><br>High (4)<br><br><br>High (4) | <br><br>High (4)<br><br><br>High (4) | R2 500 000<br><br>Project completed.<br><br><br>Project completed. |
| 14 | **UPGRADE MAIN SUBSTATION HEIDELBERG**<br><br>**CONSULTANT**<br>Lyo Emfuleni<br><br>**CONTRACTOR**<br>Immediate Electrical (Pty)Ltd | <br><br>High (4)<br><br><br>High (4) | <br><br>High (4)<br><br><br>High (4) | R4 000 000<br><br>Completion in Nov 2010.<br><br><br>Completion in Nov 2010. |
| 15 | **NEW SUBSTATION JAMESON PARK**<br><br>**CONSULTANT**<br>Lyo Emfuleni<br><br>**CONTRACTOR**<br>Immediate Electrical (Pty)Ltd | <br><br>High (4)<br><br><br>High (4) | <br><br>High (4)<br><br><br>High (4) | R3 055 378 00<br><br>Completion in Nov 2010.<br><br><br>Completion in Nov 2010. |
| 16 | **UPGRADE RATANDA SUBSTATION**<br><br>**CONSULTANT**<br>Lyo Emfuleni<br><br>**CONTRACTOR**<br>Immediate Electrical (Pty)Ltd | <br><br>High (4)<br><br><br>High (4) | <br><br>High (4)<br><br><br>High (4) | R 880 000<br><br>Completion in Nov 2010.<br><br><br>Completion in Nov 2010. |
| 17 | **NEW 11 kV LINE VEREENIGING ROAD**<br><br>**CONSULTANT**<br>Parima Consultants<br><br>**CONTRACTOR**<br>J.A.S Ndlovu | | <br><br>High (4)<br><br><br>High (4) | R 2 500 000<br><br><br><br><br>Project completed. |

| | SUPPLIER | RATE 2008/2009 | RATE 2009/2010 | BUDGET/ COMMENT |
|---|---|---|---|---|
| 18 | **PROTECTIVE METER KIOSK**<br><br>**CONTRACTOR**<br>BA Tsonga Electrical<br>(Supply kiosk)<br><br>**CONTRACTOR**<br>Macu Electrical<br>(Install the electrical network) | | <br><br>Moderate some concern (2)<br><br>High (4) | R 600 000<br><br>Project completed.<br><br>Project completed. |
| 19 | **BUYING OF VEHICLES**<br>(In House)<br><br>Grader - R1 619 000 - New Holland<br>Rescue Vehicle - R 636 686.97<br>Fire & Emergency Vehicles<br>Front End Loader - R1 269 000 - New Holland | | High (4) | Completed |

Development Planning: Mr B Majola

## LED, TOURISM & ENVIRONMENTAL DEVELOPMENT & PLANNING

1. **Investments**
   - Coca-Cola Valpre Water Plant
   - Transnet Bulk Liquid Terminal
   - Zone of Opportunity
   - Southern Gateway Logistic Hub
   - Integrated Medical Facility

### a.) Coca-Cola Valpre Water Plant

Multi-billion dollar company Coca-Cola South Africa's has invested in Lesedi, through the Valpre Water Bottling plant, which is currently under construction in Heidelberg. The project is estimated to inject more than R400 million into the local economy. The plant is situated approximately 20 kilometers outside Heidelberg on a farm off Lagerspoort Road. The plant is expected to be completed by September 2010 and over 300 jobs will be generated for the local people during the construction phase. Gauteng Department of Agriculture and Rural Development will be closely monitoring the project to ensure that it environmentally friendly.

The Department of Development and Planning played a major role in this development by ensuring that the Record of Decision (ROD) is issued to Coca-Cola. Furthermore, Lesedi Local Municipality also pledged their support for this project during the DFA hearing which was conducted by province. In our engagement with Coca-Cola Company, as Lesedi Local Municipality we insisted that the local people should be granted business and employment opportunity during the construction and operation phases. Coca-Cola estimated that approximately 300 jobs will be created during construction phase.

Coca-Cola and Lesedi Local Municipality have agreed to enter into a Memorandum of Understanding (MOU). This MOU will guide the way in which the Community Social Investment (CSI) will be utilized for the benefit of the community.

### b.) Transnet

The Transnet Limitedís division, Transnet Pipelines, has received a licence from the National Energy Regulator of South Africa in terms of Section 15 (1) a of the Petroleum Pipeline Act (Act 60 of 2003), subject to environmental authorisation, to construct and operate the New Multi-Products Pipeline (NMPP) Project. The NMPP is designed to efficiently transport diesel, petrol and jet aviation fuel to the inland of South Africa (Gauteng region). It will consist of:

- A new - 525 km multi-products liquid fuel pipeline including up to nine pumps stations, running from Durban, KZN to Jameson Park near Heidelberg in Gauteng.

- An Inland fuel terminal at Jameson Park, to accumulate the fuels delivered by the pipeline, prior to distribution into the inland pipeline network.

This project will create ± 500 jobs for local people.

An area measuring 46,7 hectares within the Commonage property in Jameson Park is was purchased for this project. Transnet completed the Environmental Impact Assessment in October 2008 and the record of decision was issued in February 2009. Transnet has started the construction of the bulk liquid terminal in Jameson Park.

The project has also attracted other investors within the area in the form of Vopack Reatile Joint Venture and this compels the Lesedi Local Municipality to establish the area as an industrial township.

**The Southern Gateway Logistic Hub.**

The proposed logistic hub is located in between the N3 and R103 corridors (Tamboekiesfontein) and it can be directly accessed from the freeway through R550 corridor. The area measures approximately 550 hectares and ROD has been approved for the first 30ha, another 90ha has a pending ROD and a new EIA has to be processed for the remainder of this portion. The IDC has offered to avail funding to assist the Lesedi Local Municipality with feasibility studies as well as other facilitation costs that may be necessary to speed up the establishment of the Township.

The consortium leading the development is led by Muzi Wami Properties and includes Vunani Capital. The Socio-economic impact study that has already been carried out on behalf of the IDC indicates that a minimum of 13 000 new (direct and indirect) jobs will be created by the new development. The development will cost a minimum of R3 billion. GEDA, Gauteng Provincial Government, Gautrans and DED have all identified this project as of provincial and national strategic importance and they are in full support of it.

The primary significance of this logistic hub is to take off the bulk freight from the main ports of Richards Bay and Durban and break it into warehousing units so that it can be distributed to the inland in an efficient manner. Subsidiary benefit to this hub is to alleviate traffic congestion and help reduce associated road fatalities.

The envisaged project is comprised of the following establishments:

- Warehouses
- Commercial Offices
- Trucking stop and refueling station
- Container Depot
- Light Commercial Industries

**Integrated Medical Facility**

The Council has approved proposed development of an Integrated Medical Facility in the area North of Bergsig. This development is envisaged for the construction of a university hospital that will use alternative healing therapy based of eastern medicine and methods such as acupuncture and herbal cures.

Meigui Developers have pledged to inject an amount of R7,5 Billion for the construction of 600 beds hospital and the project is envisaged to created more than five thousand job opportunities for local communities.

Coupled to this project, the LLM has also approved the development of the Herbal Farm in Jameson Park which will grow and produce herbs for the hospital.

**Background of Londindalo Alien vegetation Eradication Project (LAVEP)**

LAVEP (Londindalo Alien Vegetation Eradication Project) was initiated in 2006 as a community based project. The project is located in Heidelberg: Eldorado Resort. The site is owned by Eastside Community Church. It is currently used as a Recreational facility. The area is 67 hectares and a tributary of the Suikerbosrand River runs through the farm. The stream had virtually stopped running, due to encroachment by alien vegetation. South Africa is experiencing accelerating deterioration of natural resources due to alien invasive plants. The beneficiaries executed all operations on the aforementioned site and the site hand-over was conducted on the 8th July 2010 where all stakeholders were involved. Since the 5th May 2010 the beneficiaries have started working on another site which is situated in Heidelberg: Avondrus. The site is owned by Jordan Vinsel. The total infested area is 69ha in extent and the tributary of Suikerbosrand River runs through the farm. The area is experiencing accelerating deterioration of natural resources due to alien invasive plants. The Lesedi Local Municipality therefore undertook to enter into contractual agreement with GDARD and the Land owner. For this financial year 2010/11 project is being funded by GDARD with an amount not exceeding R599 000.00 and Lesedi Local Municipality will be counter funding with an amount not exceeding R400 000.00.

**BELOW ARE THE PICTURES OF THE SITE BEFORE AND AFTER THE ERADICATION OF ALIEN PLANT**

The project is modeled according to the Working for Water program under the Environmental Sector of the Expanded Public Works Program.

**Aim/s**

- Contribute to conservation of natural resources through control and eradication of alien vegetation.
- Assist in poverty alleviation through job creation and skills development.

**Objectives**

- Enhance water security
- Restore agricultural capacity and security
- Improve the ecological integrity of natural systems
- Maximize social and economic benefits
- Promote appropriate land use and rehabilitation of cleared areas
- Protect and restore biodiversity
- Create jobs and develop skills to alleviate poverty

**Co-operate governance**

The project has enhanced cooperate governance between all spheres of government and partnership between public and private sector.

| STAKEHOLDER | ROLE |
|---|---|
| National Department of Water Affairs and Forestry (DWAF) | Custodian of Working for Water program |
| National Department of Agriculture | Administer and enforce CARA legislation Funder: Land Care conditional grant |
| National Department of Public Works | EPWP custodian |
| Gauteng Department of Agriculture and Rural Development | Funder: Conducts quality control |
| Gauteng Department of Labor | Provide training |
| Lesedi Local Municipality | Implementing agent Funder |
| Land Owner | Provides access |
| Beneficiaries | Execute operations |

In terms of socio- economic impact, the project has created 32 job opportunities. Out of 32 jobs created 69% are women and 31% are males youth, 78% youth and 6, 25% are physically challenged. The project has a very positive impact to the community because of the job opportunities that have been created as well as skills development. The beneficiaries have been trained on various skills such as chainsaw operation, herbicide application, finance management, life skills, fire fighting and first aid. The training was offered by Department of Labor.

LAVEP shall implement a secondary industry component through selling of the cut wood. Other secondary are being investigated. DWAF demonstrated commitment in assisting the project with exit strategy to plant indigenous vegetation. Currently there are engagements with Moby Works, a company based in Johannesburg for the establishment of coffin manufacturing company. The beneficiaries will supply wood to the latter.

Over and above the latter, the project funders have assisted the beneficiaries to register cooperatives. For such entities are in place and each has its own principal objective. The Gauteng Economic Propeller is assisting to draw business plans and identify economic opportunities for the beneficiaries.

LAVEP has won the 2008 Kamoso award as the best provincial environmental project. Recently they were awarded the certificate of participation in the Land Care Aware Awards which were held from the 12- 17 July 2009 in Polokwane.

**Housing**

Lesedi Local Municipality strives to achieve the national target of eradicating the informal settlements by providing houses to poor communities by 2014. Lesedi work very closely with the Department of Local Government & Housing by providing the land and all necessary infrastructure to ensure successful housing delivery.

The housing backlog is currently estimated at 14 000 and this information is based on the number of people registered in the demand data-base.

Over the years the LLM has managed to deliver over 9000 houses and formalized 705 informal stands in the area. The municipality has been able to address about 60% of housing delivery backlogs, however due to continuous migration problems into the area, the housing backlog remains high. The LLM has put in place mechanisms to monitor & control land invasions in the area and a proper audit of all informal settlements was conducted by the service provider. Furthermore, the Department of Local Government & Housing has allocated R64,4 million for the construction of ±990 units in the 2010/11 financial year and this will assist in the reduction of the current housing backlog.

| DESCRIPTION | MILESTONE | STATUS REPORT |
|---|---|---|
| **KWAZENZELE** | Two hundred and forty (240) housing units to be built | - The total allocation of houses in this project is Sixty One (61). There are eight (8) finished houses which have not yet been officially allocated but are finished because they are deceased cases awaiting letters of authority. That brings us to a total of Sixty Nine (69) finished houses in the project.<br>- The contract has been extended to 30 November 2010. There has been a challenge of late and short payments to the contractor which had a negative impact on the delivery of houses. Technical, Professional teams and coordination meetings are used to engage in discussions on such issues and remedial steps are taken to resolve problems. When the project commenced, there was a very slow pace of construction, interventions were made and the pace has been hastened. |

| DESCRIPTION | MILESTONE | STATUS REPORT |
|---|---|---|
| **KWAZENZELE** | Two hundred and forty (240) housing units to be built | - The total allocation of houses in this project is Sixty One (61). There are eight (8) finished houses which have not yet been officially allocated but are finished because they are deceased cases awaiting letters of authority. That brings us to a total of Sixty Nine (69) finished houses in the project.<br>- The contract has been extended to 30 November 2010. There has been a challenge of late and short payments to the contractor which had a negative impact on the delivery of houses. Technical, Professional teams and coordination meetings are used to engage in discussions on such issues and remedial steps are taken to resolve problems. When the project commenced, there was a very slow pace of construction, interventions were made and the pace has been hastened. |
| **IMPUMELELO** | One thousand two hundred and fifty nine (1 259) houses to be built.<br>Phase 1: six hundred houses ( 600)<br>Phase 2: six hundred houses(600)<br>The remaining fifty nine(59) are still not allocated to any contractor | - On both projects, the total allocation of houses is Nine Hundred and Sixty four (964).<br>- Both contracts have been extended to 30 November 2010. There has been a challenge of late and short payments to the contractor which had a negative impact on the delivery of houses. Technical, Professional and Project Steering Committee meetings are used to engage in discussions on such issues and remedial steps are taken to resolve problems. The project is at 77% towards completion. |
| **KAYDALE** | Two thousand two hundred and ninety units envisaged (2290) | - The E.I.A. (Environmental Impact Assessment) process has been finished. The Record of Decision has been received. Plans to negotiate land purchase will commence as soon as the Gauteng Department of Local Government and Housing (GDoLG&H) has given a go ahead. |
| **HOSTEL (CRU) REDEVELOPMENT RATANDA (1187 ) and (2261)** | The project envisages a total of three hundred and sixteen (316) RDP walk ups and rental stock at 1187 in Ratanda and also Extension 16. In this financial year (1st April 2010-31M arch 2011) forty (40) RDP walk ups will be constructed at Shalimar Ridge Ext 16, which will accommodate both 1187 and 2261 hostel dwellers.<br>A budget of R13, 360,000.00 has been allocated by the Gauteng Department of Local Government and Housing (GDoLG&H) for the project. | - The project has not yet started. It is meant to start as soon as the Gauteng Department of Local Government and Housing (GDoLG&H) has appointed a contractor. A tender briefing session was held on 16 July 2010 and closed on 30 July 2010. GDoLG&H is expected to have finished with its internal processes by October 2010. No appointments were made in the previous financial year due to the fact that the GDoLG&H had no funds. |
| **OBED 'MTHOMBENI 'NKOSI** | This project is envisaged for development of Six Thousand (6000) mixed income residential stands.<br>It is presently at phase 1. The Department of Local Government and housing has allocated a budget of R21, 524,798.00 which will allow for three hundred (300) Breaking New Ground (formerly known as the RDP) houses to be built in the present financial year. | - Excavation for internal sewer and water infrastructure reticulation for the first three hundred (300) Breaking New Ground ( formerly known as the RDP) stands has been completed.<br>- On 30 July 2010 the Obed Nkosi Project Steering Committee went on a Housing tour to Alexandra, Cosmo City, Kliptown and Randfontein to get a picture of Mixed houses so as to influence and input on the plans for Obed Nkosi. GDoLG&H is expected to have finished with Supply Chain and internal processes by October 2010. |

**Integrated Development Planning**

The LLM IDP for 2010/11 financial year was prepared in terms of the Municipal Systems Act, 2000 and was developed in the spirit to pursue the principles of participatory democracy. The IDP has provided the opportunity for real partnerships between the municipality and the community to improve the quality of people's participation and control of their own development.

As per legislative requirements the IDP was submitted to the Sedibeng District Municipality and the Department of Local Government for the purposes of analysis. All issues raised by the MEC in the 2009/10 IDP were adequately addressed.

**Spatial Development Framework (SDF)**

The SDF was reviewed in line with the existing provincial and district's spatial development perspective. Incorporated within the SDF is the Nodal and Corridor Development Study which identified primary and secondary corridors and nodal point for future development within the area.

**Allocation of amendment scheme**

Numerous rezoning, sub-division and consent land-use applications are constantly submitted to Council for consideration. A target of four weeks has been set by the department to address all above mentioned applications.

**Development application**

The Department of Development and planning has made significant strides to reduce turn around times in the approval of development applications. Speedy approval of applications in this regard has contributed to a decrease in cost of doing business and has increased the number of investments attracted into the municipality.

Cynthia Mokoena; Executive Manager: Community Services

The following clusters falls within the competence of the Department of Community Services:

- Municipal Health Services
- Primary Health Care Services
- Social Development
- Municipal Buildings
- Parks and Cemetries
- Sports, Recreation, Arts and Culture
- Library and Information Services
- Safety And Security

### 1.1. MUNICIPAL HEALTH SERVICES (ENVIRONMENTAL HEALTH SERVICES)

Municipal Health Services is rendered through the signing of SLA (Service Level Agreement) with SDM ***(SEDIBENG DISTRICT MUNICIPALITY)*** as from 1 July 2004.

Municipal Health Services includes the rendering of the following category of services which are rendered within Lesedi Local Municipality:

| AREAS OF MHS FUNCTION | SPECIFIC ACTIVITIES AND DETAILS |
|---|---|
| Water Quality & associated monitoring & availability | • Mapping of water resources in relation to point or diffuse pollution sources.<br>• Protection of water sources & resources through enforcement of Laws and regulations related to water quality management.<br>• Monitoring of water reticulating system.<br>• Water sampling and testing on field or laboratory (reference laboratory).<br>• Implement health, hygiene awareness and education campaigns that relates to water supply and sanitation. |
| Food Safety &Hygiene monitoring | • Food inspection at production, storage, distribution and consumption.<br>• Street vending monitoring and control.<br>• Food premises inspection and control of statutory nuisances.<br>• Enforcement of food Legislation and Codex Alimentarius.<br>• Promote the safe handling, storage and preparation of foodstuffs used in government institutions<br>• Promote safe handling of meat and meat products, fish and fish products. |
| Waste Management & General Hygiene Monitoring | • Ensuring proper refuse collection, storage and disposal.<br>• Liquid waste management including sewerage and industrial effluents.<br>• Ensuring proper storage, treatment, collection, handling and disposal of health care waste and hazardous waste.<br>• Sampling and analysis of any waste or product (sewage, refuse or other waste).<br>• Investigation and inspections on any activity relating to the waste stream or any product resulting there-from.<br>• Advocacy on appropriate sanitation (must be understood to have an element of motivating for program, projects and funding).<br>• Control of the handling and disposal of diseased animal tissue. |

| AREAS OF MHS FUNCTION | SPECIFIC ACTIVITIES AND DETAILS |
|---|---|
| Premises Health (All Built Environment) Surveillance | • Environmental Health Impact Assessment including Housing Projects and indoor air quality monitoring.<br>• Assess factors like ventilation, lightning, moisture proofing, thermal quality structural safety and floor space ( inclusive of inner city decay).<br>• Assessment of any overcrowding, dirty or unsanitary conditions in any residential, commercial or other occupied premises including Child Care centers.<br>• Prevention of unhygienic conditions or overcrowding of caravan parks, camping sites and holiday resorts.<br>• Prevention and abatement of any condition on any premises which is likely to constitute a danger to health, including sick building syndrome. |
| Communicable & Environmental Related Disease Control & Monitoring | • Health and hygiene promotion aimed at prevention of environmentally induced diseases and related communicable diseases.<br>• Collection, analysis and dissemination of epidemiological data and information.<br>• Use of Participatory Hygiene and Transformation Training (PHAST) approaches for effective control measures at community level.<br>• Epidemiological surveillance of diseases |
| Vector Monitoring and Control | • Application of measures under WHO (International Health Regulations Act 1974).<br>• Identification of vectors, and their habits and breeding places.<br>• Removal of remedying of conditions permitting or favoring the prevalence or increase of rodents, insert, disease carries or pests.<br>• Residual spraying of premises.<br>• Investigate the prevalence of zoonotic diseases and other vector borne diseases in the working and living environment.<br>• Surveillance of imported cargo and livestock for the prevalence of disease vectors.<br>• Serological tests of rodents, dogs and other pests.<br>• Community awareness campaign on zoonotic disease & the control thereof by education and training. |
| Environmental Pollution Control | • Promotion hygiene working and living environments.<br>• Identification of polluting agents and their sources.<br>• Conducting of environmental health impact assessments.<br>• Conducting of environmental health hazard and risk mapping.<br>• Approval of environmental impact reports.<br>• Promoting clean and safe air.<br>• Control and prevention of noise. |
| Disposal of The Dead | • Control, restriction or prohibition of:<br>• The business of a funeral undertaker or embalmer<br>• Mortuaries and other places.<br>• Facilities for the storage of dead bodies.<br>• Treatment, removal or transport of dead bodies.<br>• Regulating, control and prohibition of graves, cemeteries, crematoria and other facilities for the disposal of dead bodies.<br>• Manage, control and monitor exhumation and reburial or disposal of human remains. |
| Radiation, Safe Energy-use & Transportation of radioactive waste, Monitoring & Control. | • Monitor all premises handling radioactive material for compliance.<br>• Ensure authorization of premises and effective control over materials and radioactive waste.<br>• Ensuring proper lighting of all buildings and similar structures for human utilization.<br>• Ensuring safety against any form or source of electro-magnetic radiation. |
| Chemical Safety | • Listing of all operators: Fumigation firms, formal and informal retail premises, which deal with the manufacturing, application, transport or sale or storage of chemicals.<br>• Issuing of licenses.<br>• Facilitating pesticide and/or chemical safety advice and education and training. |

During the reporting period an audit of all medical waste generators was done. Premises that did not comply with the Act were notified to comply (Medical Waste Removal).
An audit of all food Premises, general businesses and industries was done again and the database was updated. Informal traders as well as formal food shops are continuously trained in food safety to ensure that food sold will not have a negative impact on the Health of any member of the Community.
Informal Pre - Schools were inspected and those who complied were issued with Health reports. Most of the premises for informal créches and Pre Schools have improved and all owners are capacitated in terms of minimal requirement for operating the facilities. Almost 98% of our ECD Centre receives subsidies from the Department of Health and Social Development.

A baseline was developed for initiation schools to comply with the proposed by - laws with the aim of preventing the spread of diseases as well as to prevent deaths during initiation school period. The by-laws has not been promulgated by Sedibeng yet. A Monitoring team consisting of relevant stakeholders is in place. We do however still encounter problems with initiation schools not adhering to the guidelines of the proposed by-laws, resulting in unnecessary deaths among the initiates. We did encountered initiate deaths at an Initiation School situate close to Spaarwater. The initiation school opened illegally. The assistance of SAPS was obtained and did they open a case. The "teachers" were arrested and is the case still under investigation.

Pro-active services rendered on Environmental Health is excellent to and no outbreak of any communicable /transmittable diseases occurred in our area. An Outbreak Response Team consisting of local role players within the health sector has been established. The local Outbreak Response Team link directly with the Provincial Outbreak Response Team. A Sampling program is in place for taking water, milk and food samples.
Water 246 and 48 milk samples taken and all samples taken complied with the legislative standards.

A Partnership was formed with veterinary services regarding meat control. This partnership needs to be revived, with specific reference to the managing of game meat.
There is also a partnership with Dairy Standards to improve the quality of dairy products, especially milk distributed within this area.

**Inspections conducted during the reporting period:**

Food Premises: 804
General Dealers: 1107
Street vendors: 191
Creshes: 360
Cholera samples: 31 (All tested negative)

All complaints were attended to within 24 hours after receiving the complaint and 98% of complaints were resolved.

Lesedi also took part in the Blue Drop Water monitoring program. Even though we did not do well during the evaluation process, the water quality of Lesedi is excellent, averaging a compliance rate of 97% with regards to bacteriological compliance.

**AIR QUALITY**

Lesedi has been included in the Highveld Priority Airshed area. The status quo report for the Highveld area has been finalised and are they in process of compiling a draftmanagement plan for the Highveld Area. All relevant stakeholders are involved with the whole process.

In addition to the above, training was attended by one of the official at Cape Town on the testing of vehicle emissions. Due to the lack of funding, a hartridge meter has not been purchased yet, to implement this program.

Sedibeng and the different Councils within it's jurisdictional area is in the process of determining powers and functions of the two shares of government. Sedibeng will definitely be responsible for the licensing of emitters in terms of listed activities. In addition to this, we are also in the process of developing by-laws with regard to Air Quality control.

In addition to the above, a project called "Clean Fires" was launched in Lesedi on 14 June 2010. The aim of this project is to teach people the correct method of making fire when coal is used. By using the correct method, less smoke is generated resulting into less air pollution by conventional fires.

**BONTLE KE BOTHO CLEAN WARD CLEAN TOWN COMPETITION**

Lesedi Municipality has participated in the annual Bontle ke botho clean ward clean town competition since its inception by GDACE (Gauteng Department of Agriculture , Conservation and Environment) in the year 2002. This initiative enabled Ward Councilors to encourage community members to upgrade the environment through Recycling projects, Litter picking,Tree Planting and vegetable gardens and greening. Several wards entered for the competition. The following wards won the following prizes during the competition:

Ward 3 R 50 000.00
Ward 8 R 50 000.00
BKB Award Ceremony took place on 26 February 2010.

**2. PRIMARY HEALTH CARE SERVICES**

The following are the primary health care clinics within the Municipal area:

- Rensburg clinic
- Usizolwethu clinic
- Jameson Park clinic
- Ratanda Clinic
- Vischkuil clinic
- Heidelberg clinic
- Extension 7 clinic
- Extension 26 Clinic

Core free Primary Health Care Services are rendered from five permanent and one satellite facility managed by the Municipality and from two permanent facilities which are managed by the Provincial Health Department. Services rendered are:

- Anti and Post natal services, TB (Tuberculosis), EPI (Expanded Program Immunization ), HIV and AIDS, STI (Sexually Transmitted Illnesses), Geriatric clinic, Rehabilitative services, Counseling (VCT - Voluntary Counseling and Testing ,PMTCT - Prevention of Mother to Child Transmission , TOP - Termination of Pregnancy), Oral Services, Mental Health, etc.

A program was developed to ensure that all patients/visitors would be able to access to PHC during the 2010 World Cup Soccer.
The HCT campaign has been implemented at all clinics.
Vit A, De-worming and polio campaigns were done at all clinics in line with National directive.
We are currently in process of signing a SLA with the Department Health and Social Development on the rendering and funding of PHC service.

Patients that used the different facilities are as follows:

Ratanda Clinic: 26 646
Rensburg Clinic:9 336
Jameson Park Clinic: 4 203
Ratanda Extension 7 clinic: 11 690
Heidelberg Extension 23 clinic: 9 386
Viscchkuil Clinic: 7 847

**CLINIC COMMITEES**

Clinic committees have been established at all clinics. Members were elected with the active involvement of the political part. Training was arranged for members. The term of office for members is one year. We will ensure that members are trained and fulfill their role within the health system during the coming financial year.

HIV and AIDS prevalence rate in Sedibeng District has been at 35% in 2006 . There have been developments to contain the HIV& AIDS epidemic across the Municipal area. In Lesedi Ward Based HIV and AIDS programme has been implemented in 9 Wards. 9 x HIV & AIDS Ward Coordinators have been appointed on a contractual basis. This however gave rise to the reduction of the prevalence rate whereby in 2007 - 32.8% and in 2008 - 31.8%. For the last quarter ( April ; May ; June 2010 ) Lesedi is at 27 % prevalence rate.

The HIV & AIDS businessplan is running smooth and several programmes such as "Men as Champions" in Reproductive Health have been successfully implemented.

***(HIV Counseling and Testing Services (HCT) +PMTCT (Prevention of mother to child transmission) are offered on daily basis by trained lay counselors at all the facilities)***

Mobile services are available for the benefit of the community living in the far rural areas. Heidelberg hospital provides secondary health care services with the ARV clinic situated in H.F. Verwoerd street, where the above facilities refer their clients for secondary care. A fully fledged ARV site has been established at Usizolwethu clinic and the (NGO) Broad Reach is in the process to investigate the possibility of establishing ARV sites at Rensburg- and Heidelberg clinics.

The following are organizations that are rendering various services within the Municipality :

- Siyaphila: Home Based Care (Devon) - Funded
- HEAPS: Treatment Adherence & Nutritional Supplements ( Devon ) - Funded
- Bring Hope: Support Programme for the infected & affected ( Devon ) - Funded
- Phola Hospice: Patient Care ( Devon ) - Not Funded
- Boiketlo: Home Based Care & Orphan Support Programme ( Vischkuil ) - Funded
- St. Martins Drop - In Centre: ( Vischkuil ) - Funded
- Mohau Wa Bophelo > Support Group for People Living with HIV ( Jameson Park ) - Not Funded
- The Fort Community Dev. Project: Management of Jameson Park Frail Care Centre ( Jameson Park ) - Not Funded
- Osizweni Care & Support Group: Orphans & Vulnerable Children ( Ext. 23 ) - Not Funded
- Lebone > Drop - In Centre: ( Ratanda ) Funded
- The Light of Hope: Education & Awareness ( Ratanda ) - Not Funded
- SANCA: Education on Drug & Alcohol Abuse ( Lesedi ) Funded
- SAMAG: Mobilisation of Men (Lesedi) - Funded These organizations, together with volunteers from the community also assists in the door to door health calendar educational campaigns that are run throughout the year.

**Lesedi Local Municipality HIV and AIDS Workplace programme**

HIV and AIDS workplace policy was launched on the 01 December 2006 and it was a tremendous success. A VCT (Voluntary Counseling and Testing) site was established whereby 71 staff members were tested.

The functionality of this program however declined with the resignation of the HIV & AIDS Coordinator. The position has been filled during March 2009 and the program has been revived. A Comprehensive Workplace Program which consists of the Employee Wellness Program; Occupational Health & Safety & HIV&AIDS Components has been established. On the 9th October 2009 a Healthy Lifestyle Campaign for Lesedi Employees was successfully launched.

The Steering Committee is actively involved in implementation of internal HIV and AIDS Programmes.

The Programme has incorporated other social related problems experienced by staff. A strategy to strengthen the Committee is being developed. This will also include the HIV&AIDS Policy Review.

**Condom Distribution**

Mounting of condom cans was done internally and externally as well as condom distribution and monitoring is done by the HIV and AIDS Workplace steering committee.

**HIV & AIDS MULTI - SECTORAL PROGRAM**
**Intersectoral & Interdepartmental collaboration to strengthen partnership with other stakeholders has been formed with the following Organizations & Institutions**

- Victim Empowerment Centre ( a unit for sexual related victims at the SAP )
- Correctional Services ( Education & Awareness for Staff & inmates )
- South African Police Services ( Education & Awareness + Gender Based Violence )
- Home Affairs ( Identity Documents & Birth Certificates for Grant Applications )
- Health & Social Development ( NGO Funding , Social Services , Nutrition , Clinic & Hospital Services ) Education ( Schools )
- Cross-cutting Unit ( Gender , Youth & Disability )
- South African National Defence Force ( Education & Awareness )
- Faith Based Organisations ( Moral regeneration , promotion of abstinence , spiritual counseling & leading the Candle Light Events )
- Traditional Healers ( Education , Awareness & referral to health facilities )
- Men's Forum ( Mobilisation of men for Reproductive Health & action on Gender Based Violence )

Non-Governmental Organisation: Monthly meetings are still held with all the above Organizations and reporting rate by sectors has improved.

**CONDOM DISTRIBUTION**

12 000 Condoms are distributed monthly at each of the seven clinics in Lesedi area.
25 000 Condoms are distributed monthly through the NGO's.

**HOSPICE / FRAIL CARE CENTRE**

Funding has been received from Department of Public Works and a Frail Care Center was built in Jameson Park. The center will mainly cater for HIV & AIDS patients but provision will also be made to accommodate other category of frail care. An NGO by the name of The Fort Community Project is currently running the Centre providing the community with the initial start up projects : Food gardens, life skills, Registering of HIV&AIDS Patients, HIV Counseling & Spiritual Support. We still do have constraints as far as furniture and equipment is concerned. British American Tobacco has just donated a few ie 4 desks & chairs, 2 wheel chairs, 1 Ironing Board, 50 Waiting Room Chairs, 1 Iron, 6 Steel Filing Cabinets, a Micro Oven, Washing Machine & a Fridge
Another challenge has been the Service Level Agreement which still need to be ironed out.

**EVENTS / ACHIEVEMENTS**

- 4 Extra Ward HIV&AIDS Co-ordinators appointed with effect from August 2009 thus having a total of 9 Ward Co-ordinators for area coverage.
- Healthy Lifestyle Campaign for Lesedi employees launched on the 9th October 2009.
- 2 Quarterly Door to Door Campaigns successfully done by 300 trained volunteers reaching out to 22 112 houses in November / December 2009 & 19 692 in February 2010.
- Men as Champion Project : 20 men trained on HIV&AIDS (14ñ16/09/09) ; Workshop on HCT & PMTCT for 35 men ( 22/09/09 ) ;
- A dialogue on circumcision held reaching out to 50 men ( 30/09/09 )
- Training on Gender Based Violence for 40 men (30/11/09) ; 2 Gender Based Violence Awareness Campaigns done at Ext. 7 & Ext 23 respectively ( 02/12/09 & 09/12/09 ) ; A dialogue on Polygamy / Multiple Partners v/s HIV&AIDS ;
- Men & Women Dialogue ( 19/03/10 ) & the Men's Health
- Financial Assistance for 25 Indigent Burials between July 2009 & June 2010.
- TB / HIV Workshop done for all Lesedi Stakeholders culminating in the establishment of a Task Team to implement the TB / HIV Programme ( 26/02/10 )
- A Seminar on HIV&AIDS, Infection Control & Waste Management conducted for 80
- Traditional Healers ( 09/04/10 )
- Official Launch of the Lesedi Local AIDS Council by the Executive Mayor ( 19/05/10 )
- Co-ordination of donation of blankets to 34 orphans & vulnerable children ( 08/06/10 )

**3. PARKS AND CEMETERIES**

Playground Equipment was erected at various parks in Lesedi during the reporting period and some old equipment replaced and painted. More than three hundred trees were planted around Lesedi Area, especially at Impumelelo, Kwa Zenzele, Kamp Cemetery and Ratanda.
The Ekuthuleni Sub Regional Cemeterie was expanded by opening new grave blocks for the ever increasing number of funerals taking place. Temporary labourers were employed to help clean the Ratanda and Ekuthuleni Sub Regional Cemeteries after the abnormal rainfall.

Funerals conducted during the financial year:

| | |
|---|---|
| Kamp | 109 |
| Ekuthuleni | 822 |
| Ekuphumuleni | 115 |
| Devon | 1 |
| Muslim/Hindu | 9 |
| **Total:** | **1056** |

Further paliside fencing was erected at Heidelberg Sports Fields and the fence is now completed. The cutting of grass on vacant stands were done for the second time this year by this department and each vacant stand was cut al least twice. Sidewalks, Council Properties, Sporsgrounds and Cemeteries were maintained according to the Maintenance Program by five teams, each supervised by a Special Worksman.

Weedkiller was applied on sidewalks, paved areas and cemeteries and invasive trees were irradicated along roads and open spaces. Complaints were taken care of on a daily basis..

**4. SPORTS, ARTS CULTURE & LIBRARY SERVICES**

Lesedi Sports Council continues to address all the sporting needs in the Community by Coordinating programmes that promote sports. The Sports Council acts as a link between Council and the Sporting Community.

School and Sporting Codes have access to sports facilities.

Four sites approved for 2010 FIFA World Cup to accommodate disadvantaged communities namely; Ratanda Multipurpose Centre; Bella Rochelle in Heidelberg; Impumelelo & Vischkuil Community Halls. Projector, Big Screen and PA system were made available for the course.

2 Caretakers from Ratanda Stadium & Swimming Pool were sent for training and emerged successful. Individual Artist and groups have been sensitized and Department of SACR engaged to assist with the process.

Trompie Belleging appointed to upgrade the Ratanda Sporting Fields at an amount of R480, 950.38 and the work is in progress.

A concept or guiding document is being compiled and circulated to stakeholders for comments input; amendments etc.

Grounds have been graded and grass cut and premise refurbished in Shalimar Ridge to accommodate both Rugby and football games.

Electrical faults in change rooms fixed. Football Clubs allowed to utilize the field on Wednesdays & Sundays; Rugby on Tuesdays; Thursday & sometime Saturdays for league games.

Lease Agreement compiled and signed for a period of three years.

Service Level Agreement signed with Sedibeng District Municipality for a period of three years.

Vlam du Preez cc has appointed to maintain both pools twice in a month. Water clarity very good; PH is in a desired range.

21 May 2010: launched Mass mobilization Campaign/Awareness.
22 May 2010: Staged the 20 Days Count Down Soccer Tournament.
26 May 2010: Launched Indoor Soccer Games.
29 May 2010: Staged Local Arts & Culture Festival.
30 May 2010: SAFA Youth Mobilization Soccer Tournament.
03 May 2010: 2010 World Cup Mass Prayer.
04 June 2010: Indoor Soccer Tournament Finals and awarding of Prizes.
05 June 2010: Battle of DJ's in Impumelelo and Vischkuil.
10 June 2010: Nako Efitlele Music Festival.
11 June 2010: World Cup Soccer Tournament: Public Viewing Area & Entertainments.
10 July 2010: Staged Live Performance Musical Festival.
11 July 2010: Staged the Battle of the DJ's in PVA's.

The fence at Impumelelo swimming pool has been replaced during this financial year and are we in the process of regressing Ratanda stadium.

**Libraries**

- Redress and equality
- Social and economic development.
- Social cohesion
- Poverty eradication.
- Nation building
- Entrenching a culture of reading.
- Developing a national literature in S.A's indigenous languages.

**i. Objectives**

- Support and stimulate the social, economic, educational, cultural, recreational, scientific research, technological and information development of Lesedi.
- Provide optimal access to relevant information to every person in an economic and cost effective manner.
- Promote basic and fundamental literacy, information literacy, and a culture of reading.
- Harness new information and communication technologies (ICT) to achieve improved integration, equity, cost effectiveness and quality in Library and Information Services.
- Make available the National Documentary Heritage and facilitate access to the world's information resources to all, including people with disabilities.
- Provide for the preservation of the National Documentary Heritage, and provide conservation services.

**ii. Challenges of Libraries in Lesedi**

- A lack of policies and strategy to integrate libraries into the communities.
  e.g. Multi-purpose centres and Friends of the Libraries.
- Deployment of resources according to need, and personnel according to merit and skill.
- The Library Practioners have to reflect how the Library and staff can be an agent of development and change in the country.
- The vital developmental role of Libraries in all aspects of education.
- Helping familiarize babies with books
- Supporting students
- Adult basic education and training
- Development of Reading Programs.
- Users of Libraries have to be developed to use them more effectively, and potential users have to be made aware of services that libraries offer them.
- The education and training of library staff have to be looked at.
- Equipping the Libraries with the necessary technology and the capacity to use technology, both to facilitate the work of the Library and to provide access to electronic information for users.
- The shortage and the lack of suitable resources in languages of the potential library users also limit their access to information and services of the library.
- The unavailability of staff to serve people in their own languages limits access to libraries.
- Visibilities of libraries in all sectors are poor and should be reassessed to eradicate poverty with the information and services they render.
- The eight Batho Pele principles should thus become a foundation for the norms and standards guiding service delivery in the country. The principles include:
  - Consultation
  - Access
  - Courtesy
  - Information
  - Openness and transparency
  - Redress; and
  - Value for money

## BOOK CIRCULATION

| | HEIDELBERG | RENSBURG | RATANDA | SHALIMAR RIDGE | JAMESON PARK | DEVON | IMPUMELELO | TOTAL |
|---|---|---|---|---|---|---|---|---|
| **Circulation** | | | | | | | | |
| **Adults** | | | | | | | | |
| July 2009 | 6 938 | 1 598 | 112 | 65 | 111 | 217 | 67 | 9 108 |
| August 2009 | 4 756 | 1 479 | 303 | 67 | 169 | 281 | 120 | 7 175 |
| September 2009 | 955 | 1 415 | 311 | 59 | 202 | 255 | 90 | 3 287 |
| October 2009 | 1 680 | 1 360 | 319 | 49 | 148 | 213 | 84 | 3 853 |
| November 2009 | 1 421 | 1 488 | 49 | 184 | 87 | 221 | 50 | 3 500 |
| December 2009 | 5 080 | 2 211 | 0 | 38 | 27 | 153 | 59 | 7 568 |
| January 2010 | 4 953 | 2 140 | 530 | 34 | 67 | 38 | 91 | 7 853 |
| February 2010 | 3 172 | 2 529 | 617 | 39 | 110 | 185 | 91 | 6 743 |
| March 2010 | 5 125 | 2 785 | 543 | 30 | 35 | 186 | 128 | 8 832 |
| April 2010 | 3 244 | 1 350 | 133 | 94 | 124 | 147 | 99 | 5 191 |
| May 2010 | 3 508 | 1 156 | 117 | 78 | 95 | 99 | 115 | 5 168 |
| June 2010 | 3 601 | 1 530 | 44 | 56 | 103 | 167 | 69 | 5 543 |
| **TOTAL** | **44 433** | **21 041** | **3 078** | **793** | **1 278** | **2 162** | **1 063** | **73 874** |
| **Children** | | | | | | | | |
| July 2009 | 1 588 | 180 | 192 | 270 | 93 | 26 | 80 | 2 429 |
| August 2009 | 616 | 204 | 414 | 293 | 121 | 45 | 120 | 1 813 |
| September 2009 | 219 | 204 | 387 | 286 | 163 | 14 | 91 | 1 364 |
| October 2009 | 252 | 221 | 433 | 286 | 153 | 22 | 109 | 1 476 |
| November 2009 | 192 | 179 | 289 | 286 | 89 | 24 | 63 | 1 122 |
| December 2009 | 525 | 452 | 0 | 122 | 21 | 8 | 31 | 1 159 |
| January 2010 | 766 | 411 | 579 | 118 | 95 | 22 | 30 | 2 021 |
| February 2010 | 602 | 444 | 727 | 189 | 85 | 17 | 30 | 2 094 |
| March 2010 | 629 | 393 | 641 | 135 | 54 | 16 | 119 | 1 987 |
| April 2010 | 494 | 252 | 125 | 203 | 102 | 40 | 141 | 1 357 |
| May 2010 | 470 | 162 | 36 | 196 | 94 | 141 | 139 | 1 238 |
| June 2010 | 682 | 351 | 9 | 179 | 88 | 45 | 41 | 1 395 |
| **TOTAL** | **7 035** | **3 453** | **3 832** | **2 563** | **1 158** | **420** | **994** | **19 456** |
| **GRAND TOTAL** | **51 468** | **24 494** | **6 910** | **3 356** | **2 436** | **2 582** | **2 057** | **93 330** |

**Budget**

**Funds : 2009/2010**

DAC : R4 000 000.00
ES : R 349 000.00

7 Libraries : Heidelberg
Rensburg
Ratanda
Shalimar Ridge
Jameson Park
Devon
Impumelelo

Open from 08h00 - 09h00 for Administration
09h00 -17h00 for community

Saturdays: 09h00 - 11h00 - Heidelberg and Ratanda

**New Library**
Vischkuil : R 870 452.81

**Staff**

From DAC Funds

| | | |
|---|---|---|
| i. | Chief Librarian | |
| ii. | Cataloguer | |
| iii. | Programme Librarian | : Resign end May 2010 |
| iv. | Reference Librarian | : Absconded end November 2009 |
| v. | ICT Specialist | : Resigned end December 2009, appointed 1st March 2010 |
| vi. | Vischkuil Librarian | : 1 June 2010 |
| vii. | Library Assistants | : 2 - 5/8 - appointed 8/8 January 2010<br>1 - 3/8 - appointed 8/8 January 2010<br>1 - 3/8 - appointed 5/8 January 2010 |
| viii. | Vischkuil Library Assistant | : 1 June 2010 |
| ix. | Heidelberg Library Assistant | : 1 June 2010 |
| x. | Jameson Park Library Assistant | : 1 June 2010 |

**Lesedi Staff in Libraries**

| | | |
|---|---|---|
| i. | Heidelberg | : 2 |
| ii. | Rensburg | : 1 |
| iii. | Ratanda | : 3 |
| iv. | Shalimar Ridge | : 1 |
| v. | Jameson Park | : 1 |
| vi. | Devon | : 1 |
| vii. | Impumelelo | : 2 |
| viii. | Vischkuil | : 1 |

**ICT**

- ICT Access for community : 38 Computers
- SIRSI system running in all 7 Libraries, 19 Computers
- 7 Burglars - stolen stock added
- Purchase 6 Computers : Vischkuil and Ratanda ext 7
- Copy Machines service contract
- 8 Libraries
- Copy Machine for Vischkuil Library

**Training**

- Marc 21 (4 people; 3 failed, 1 passed)
- OPAC (2 people)
- Windows Server Admin Course (2 people)
- Offline Course - 2 days (all libraries)
- Puppetry - 6 sessions ◊ 3 days (all staff)
- Essential PC Skills (5 people)
- Seminar (leadership for results - 2 people)
- Cataloguing Refresher (2 people)
- Basic Circulation Course (5 people)
- System Administration (2 people)
- Cataloguing Reports (2 people)

**Total = 50 people**

**Programmes**

**Self Reading: GR R -Gr 6**

**Soccer - all libraries**

- Face paint
- Exhibitions
- Flags

**Books**

**Purchased:**

| | | |
|---|---|---|
| **Equitable Share** | **: 2650 Books** | **R 261 170.09** |
| Heidelberg | : 184 | R 29 009.35 |
| Rensburg | : 183 | R 28 325.35 |
| Ratanda | : 365 | R 30 302.67 |
| Shalimar Ridge | : 367 | R 35 810.35 |
| Jameson Park | : 295 | R 31 250.35 |
| Devon | : 298 | R 31 745.35 |
| Impumelelo | : 351 | R 29 162.67 |
| Vischkuil | : 375 | R 31 974.34 |
| Ratanda Ext 7 | : 232 | R 13 589.66 |
| **Reading Program** | **: 7050 Books** | **R 708 806.87** |
| **Prisons** | **: 287** | **R 60 807.17** |
| **Devon and Heidelberg** | | |

## 5. SOCIAL DEVELOPMENT

Social Work services rendered were divided into Case Work and Community Development Work

### INTAKE

Social Workers began the process of seeing clients at level where the problem is established and intervention done to assist clients. Depending on the problem, the process may continue until it is resolved or end at intake level.

- **COUNSELLING**
  Services were offered to clients who needed it, for example, marital problems, abused children, uncontrolled children, victims of domestic violence.

- **ACCOMMODATION**
  Services were rendered for frail and destitute elderly who have no one to look after. The elderly are then admitted in the institutions where they are cared for.

- **INDIGENTS**
  Apart from the normal indigent data capturing, Indigent Funerals is also the competency of the Social Workers. Community members who are unable to bury their loved ones who have passed away are assisted accordingly after the necessary investigations have been conducted . Twenty nine households were assisted by council for burials during the reporting period.

  Indigents who were unable to pay for their services due to the fact that their income is below R1 500.00 per month were registered after they were approved by the social workers and received a subsidy to the amount of R150 per month for municipal services. At least 1384 households applied to be registered as indigents and 1020 households were approved.

### LAUNCH OF THE ELDERLY LUNCHEON CLUBS

Efforts have been made by the Department to organize all the elderly of Lesedi into Luncheon clubs, to create a platform where they can discuss, share and face their challenges together. Presently Ratanda, Heidelberg Jameson Parkand Devon are organized. The Social Workers are in the process of organizing the elderly in the Vischkuil Area and progress has been realized.

### ACTIVITIES/WORSHOPS/CAMPAIGNS

- Mental Health Workshops
- Healthy Lifestyle Event 11 October 2009
- Training: Gender Based Violence x 4
- Women and the Law: Ext. 7 Community Hall & Ext 23 Community Hall x 2
- SANCA: Educational Talks to aftercare children
- Clinical: Medico Event held in Devon to mark 16 days of activism
- Community awareness talks on Human Trafficking - 2010 World Cup Soccer
- Issuing of food parcels Shalimar Ridge Hall

**Statistical Information:**

Indigent Applications Received: 1621
Indigent Applications Approved: 1207
Indigent Applications Disapproved: 414
Indigent Funerals: 29

**INTAKE:**
Social Problems: 1306
Marital Problems: 33
Drug Dependency: 4
Children/Youth - PWD: 18
Referrals: 9

## 6. SAFETY AND SECURITY

The section of Safety and Security is responsible for Fire, Rescue, Hazmat, Humanitarian Services, Traffic Services, Road Traffic Engineering Services as well as ensuring the Security of Municipal buildings.

### OPERATIONS

**Fire Safety**
The Fire service within the section Safety and Security embarked on fire safety inspections and risk analysis visits to businesses and public to try to ensure compliance and to make staff members aware of the dangers faced when they have to deal with fire etc. We further embark on public information educations relations sessions at schools and businesses, to make people aware of the dangers of fires and to educate and establish good relations with our communities. Our Centralized Control Centre deals with emergency calls, general complaints, water and electrical complaints and any other calls that come in from time to time and there after referred to relevant departments. The water, electricity and other complaints are mostly handled after office hours. The control center operates 24/7.

Our current average turn out time to fire rescue and emergency calls was under 3 minutes
standing at 1.71 minutes, and our average response time to emergencies was less than 20 minutes standing at 15.65 min.

4.1 Public Information Education Relations session were conducted for businesses, advising them on Fire Safety.
- 46 external courses were attended by fire fighters.
- 275 internal training sessions were carried out that included all disciplines.
- 322 Fire calls attended to ,
- 46 Rescue calls were attended to.
- 534 Motor vehicle accidents were attended to
- 20 Hazardous Material Incidents responded to.
- 80 238 Calls were handled by the Control Room.
- 37 Fire Rational designs were completed.
- 183 Fire Hydrants were Serviced and maintained.
- 288 Fire Safety Inspections were done.
- 110 Risk Assessments were completed.
- 8 Fire breaks were conducted (This is dependent on the fire danger rating and this year it remained particularly high) when the rating is high fires are not allowed to be started.

One fire fighting machine/vehicle was purchased during the reporting period.

**Traffic**

**We embarked on speed law enforcement, visible policing road blocks, moving violations law enforcement as well as ensuring that road users and pedestrians can make use of our roads with safety by erecting road traffic signs and painting and maintaining traffic road marking in our area.**

- 2641 Traffic Fines including Speed Measuring notices (tickets) were issued
- Engaged in scholar patrols in conjunction with Gauteng Road Safety Directorate
- **Scholar Patrol Point Duties: (Patrols)**
- All our registered schools regarding scholar patrols are trained.
- 613 Road traffic signs were Installed in our areas;
- Painted approximately 25 kilometres of road
- All pedestrian crossings and speed humps that were erected were also painted.
- 18 Road Blocks were conducted
- 149 Funeral Escorts were done
- 84 Heavy Duty Transport Escorts were done

**PRIVATE PROVIDERS: PERFORMANCE RATINGRating:**

1 - Low
2 - Moderate Some Concern
3 - Moderate
4 - High

| N | SUPPLIER | RATE | BUDGET / COMMENT |
|---|---|---|---|
| 1 | **Photocopy Machines**<br>**A. ITEC**<br><br>**B. SHARP** | <br>3<br><br>4 | <br>Slow response time<br>Limited telephonic support<br>Acceptable response time<br>Available telephonic support |
| 2 | **Municipal Buildings**<br>**Steiner Hygiene** | 4 | Acceptable response |
| 3 | **CIVITAS**<br>**System for data input**<br>**for Traffic services** | 3 | System is running well and when support is needed telephonic arrangements are made |
| 4 | **Reabeleng**<br>**Provide security services to council** | 4 | Service improving steadily |
| 5 | **Sehoai Constructions** | 3 | Progressing well since contracted in February 2008 |
| 6 | **Buhle Waste** | 2 | Services not acceptable. In process of addressing the problem |

**Fire Safety**

The Fire service within the section Safety and Security embarked on fire safety inspections and risk analysis visits to businesses and public to try to ensure compliance and to make staff members aware of the dangers faced when they have to deal with fire etc. We further embark on public information educations relations sessions at schools and businesses, to make people aware of the dangers of fires and to educate and establish good relations with our communities. Our Centralized Control Centre deals with emergency calls, general complaints, water and electrical complaints and any other calls that come in from time to time and there after referred to relevant departments. The water, electricity and other complaints are mostly handled after office hours. The control center operates 24/7.

Patrick Lehana

**Introduction**

The Department of Corporate Support Services Department consists of the three significant divisions. Over and above, this department is also responsible for the Councilor support services in particular, the office of the Speaker. Furthermore, this department assists in all the committees of Council. The main divisions of this department will be highlighted hereunder and each will be addressed in terms of its main activities. The initial division to be addressed is the IT division, followed by the Human Resources Division and lastly, the Corporate and Legal Division.

**INFORMATION TECHNOLOGY DIVISION**

This division is currently outsourced to Business Connexion (BCX) and is managed by a highly skilled Manager who has been deployed/ seconded to service the IT needs of the Lesedi Local Municipality (LLM). It should be mentioned that the Manager in charge of this division has a wealth of experience when coming to municipalities IT needs. He was previously involved with especially the Mbombela Municipality in Nelspruit on various IT related issues especially the eVenus financial system which our municipality is currently using. eVenus is second nature to him! He was also a lecturer on IT at the Tshwane University of Technology on a twelve month contract ( the Nelspruit campus). He started with the municipality in January 2010. In May 2010, BCX appointed a new IT Technician after the previous technician resigned from their active employ to join LLM's Libraries IT section. The current support staff includes two employees deployed by BCX and two full time employees of LLM.

*The (current) state of affairs*

BCX is currently on its second year of its contract with LLM. The new manager has come with innovative ideas to bolster the IT division. The IT division is currently implementing the intranet system and busy revamping the 'look and feel' of LLMís website. A service provider has been identified and the only outstanding matter is the implementation phase. The 2009/2010 financial year was a very busy year for the IT section with the achievement of the following milestones in addition to the routine system support rendered to the organization:

*Back-up and recovery*

Backup and recovery is critical to Council's operations. As a result, backup is done on a regular basis and stored off site in a safe and controlled environment. Back-up tapes are restored on a regular basis to ensure that backup is effective and that media is fully functional. The implementation of the eVenus Integrated Financial System required changes to the current backup system, which have been implemented successfully. IT has currently logged a call with LARA at BCX to move one data base from Sun V 490 to Sun T5220. This is in compliance with the Auditor General's requirements.

*The implementation of SIRSI Library System*

The section assisted with the implementation of the SIRSI Library System which replaced the outdated PALS system that was in use for many years. This entailed the purchase and installation of a large number of new IT equipment comprising of a file server as well as a large number of new personal computers, printers and scanners. The project is an initiative of the Gauteng Department of Sport, Arts, Culture and Recreation which in turn sponsors it.

*The Wide Area Network (WAN)*

During the third phase in November 2008 the WAN was successfully completed. This was done in order to link all the libraries and enable them the have access to a centralized server which host the new SIRSI Library System. The system is currently in good working condition.

*The telephone System*

The current telephone system has been expanded and improved. The PABX system has been improved and it is envisaged that it will provide a better customer service and alleviate problems which were previously experienced. There are currently two service providers on our telephone system, namely, Telkom and Hymax. Telkom is providing the external line while Hymax is providing the internal lines.

*The Website*

The website is being maintained on a regular basis by an entity known as Coffeebean. As indicated earlier, there is a revamping process underway. All documents which are to be placed on the website are provided to the IT section in electronic format which in turn are forwarded to the third party service provider for placement on the website. Useful links are also available on the LLM website which enables access to other websites that contain useful information about Heidelberg as the anchor town and its surrounding areas. This includes information such as overnight accommodation, restaurants, schools, medical facilities, places of worship, local businesses directory etc.

*The Local Area Network (LAN)*

The local area network has been upgraded to provide faster throughput and reliability. Further enhancements have been planned for the 2009/2010 financial year. Further enhancement is envisaged for the clinics in the 2010/2011 financial year. Radio links have been explored as a means to effectively communicate with the anchor office in Heidelberg. The concept has been run and it has been proven to be a success.

*The implementation of eVenus Integrated Financial System*

Council took a decision to replace the outdated Promis System which has been used by LLM for a number of years with the eVenus Integrated Financial System. The successful implementation of the eVenus relied heavily on the availability and the functionality of the required IT infrastructure. This among others, required the implementation of a new Sun Server and the replacement of all outdated receipting equipment. Currently the T5220 server is not owned by LLM and the most appropriate server for LLM would be M3000. During the signature of the E-Venus contract with BCX it was indicated that BCX would provide the M 3000 server. It is envisaged that the server would be delivered during the 2010/2011 financial year.

*The Firewall*

A second hardware firewall has been implemented with effect 2008/2009 financial year in order to further enhance a network security. It is currently running smoothly and no problems have been experienced during the 2009/2010 financial year.

**THE HUMAN RESOURCE DIVISION (HR)**

The Human Resources division (HR) is navigated by a Manager who has been in the employ of Council for seven years. The HR is a vibrant and dynamic division which is divided into three important sections, namely, Provisioning, Human Resources Development (Training) and Labour/Industrial Relations. Furthermore, HR acts as the custodian of organizational structuring and development, the management of benefits and the conditions of services and ensures that employee wellness is maintained in the workplace. The purpose of HR is therefore to ensure that HR Support Services acts as a holistic, strategic and line function for LLM. The HR function is achieved by delivering multifarious services to the officials/employees, the councilors' and/or in some instances even involving the public from time to time in its activities. The HR section was very instrumental in the correct implementation of the wage curve. The HR Manager together with the IR Officer worked closely with the Finance department to ensure that the wage curve is correctly implemented.

**PROVISIONING SECTION**

The core responsibilities/ functions of the section are the recruitment of new employees, both internally and externally, benefits administration, (medical aid and pension) job evaluation, policy drafting, organizational design and job evaluation. This section has recorded that a number of new recruits for the year 2009 / 2010 financial year is 103 of which 56 is male and 47 is female.

The total number of employees as on 30 June 2010 is 537 and the payroll is 47 314 633 (including temporaries) and the amount off levy that was paid over to LGSETA is R 43 530.65 (only permanent) which 1% of the payroll of permanent employees which incurred during the 2009/2010 financial year. Council's employee turnover rate for the 2009 / 2010 financial year is 15.92%.

It is HR's approach that in light of the high employment turnover rate, consideration must be given to the volatile economic climate, the adverse socio-economic impact of the down turn in the economy on individuals and households.

**LABOUR/ INDUSTRIAL RELATIONS SECTION**

Labour relations between LLM and organized labour is regarded as healthy with regular bi-lateral meetings between management and the unions. The office of the IR Officer ensures that LLF convenes as per the agreed schedule where matters of common interest and policy are discussed. The regular meetings minimize the unforeseen conflict that may arise in the workplace. The municipality endeavours to maintain a healthy and open channel of communication with labour as the following statistics bear witness:

- Cases reported at Bargaining Council 3
- Cases resolved at Bargaining Council 2
- Cases dismissed at the Bargaining Council 2
- Number of Disciplinary Cases instituted in the 2009/2010 financial year 12

To date the LLF has convened 6 (six) times during the financial year 2009/2010.

**CAPACITY BUILDING/SKILLS DEVELOPMENT**

The HR manager acted in HRD section since the SDF resigned from the active employ of LLM in October 2009. The HR Manager made sure that the HRD section compiled with the drafting of the annual Workplace Skills Plan which is submitted annually as per required legislation. In order to measure its functionality and effectiveness, HRD constantly invites various departments within LLM to identify critical areas that need capacity building.

In line with the Skills Development Act (No.97 0f 1998) and the Skills Development Levies Act (No. 9 of 1999), training needs to take place within the institution that is directed at providing the necessary skills to the employees. LLM has been complying with legislation ever since its promulgation. This report seeks to report on training and/or capacity building and the future plans of the institution in this regard.

A total of 152 Officials were trained on key priority areas such as Project Management, Supply Chain, Torque IT, SQDC & Consulting, Pay Day and R 730 580.19 was used to implement the Work Place Skills Plan. Specialised training such as Hazmat for Fire fighters, Intenda in the SCM section, DBSA funded training among others were provided to the employees.

It has been identified that the scare skills areas are mainly technical. The LG Seta will assist in the Roads and Storm Water , Solid Waste and Landfill, Water Supply and Waste Water and Electricity.

The Provincial Capacity Building Task Team is in the process of addressing capacity issues in Local Government through the HR Task Team and the Skills Development Task Team in order to put strategies in place which are aligned to the National requirements.

*Miscellaneous Programmes*

The AAT (Associate Accountant Technician) programme is currently taking place in order to train learners to become capacitated in Accountancy. 10 Finance employees were taken through the programme and 4 (four) student successfully completed the programme during the 2009/2010 financial year. It is envisaged that the outstanding 6 (six) students will finalise the programme during the 2010/2011 financial year.

This AAT program provides skills and experience in order to obtain a NQF 3 qualification to the unemployed youth and the finance officials. The program makes provision for further NQF levels to be achieved. This project is funded by SAIAC, COGTA, LG Seta and SALGA.

Another programme is currently underway at LLM and has employed two financial interns in the finance department for a period of two years. It is envisaged that two more candidates will be needed during the 2010/2011 financial year. This project is being funded by the National Treasury which is offering a very competitive stipend. One objective of the programme is to capacitate the interns in all the aspects of Local Government financial management. LLM previously used the services of the two interns during the second phase of the project for the financial year 2007/2008. The two interns were eventually employed on a permanent basis by LLM in 2009 as Assistant Accountants.

*Learnerships and internships*

LLM hosted a project initiated by ISSETA and Bula Technologies in September 2010. 40(forty) learners and 10(ten) interns were placed in different departments across LLM. The project will terminate in October 2010.

*Abet Literacy Training*

ABET literacy training has been taking place with some employees. The programme started in 2004 where LLM partnered with Tswinyane ABET Centre, a local community ABET centre in Ratanda.

*Internal Employees*

LLM offers its employees training in terms of short training programmes that are planned for by the annual submission of a workplace skills plan and the annual training report to the LGSeta. For the 2009/2010 financial year some of the needs that have been identified are Project Management for middle management for efficiency in service delivery, Sport Turf maintenance for general workers to be able to keep the municipal sports turf in excellent shape, with the looming 2010 World Cup in sight, and other internal compliance trainings.

**Resignations and new appointments**

***Resignations***

- The SDF in the HR division resigned in October 2009;
- A typist in the Corporate and Legal division resigned in November 2009;
- The Secretary to the HOD: Corporate Services resigned in June 2010; and
- The Committee Clerk in the Corporate and Legal division resigned in June 2010.

***New appointments***

- A typist in the Corporate and Legal division was appointed in May 2010;
- A Records Clerk was appointed in October 2009; and
- The IR Officer was appointed in August 2009

*Reports*

Reports are submitted to both SALGA and the DLGH on Section 57's employee's status. The other reports are submitted to the LG Seta on training conducted.
Ad hoc reports are submitted to COGTA on whatever is required and bi-monthly reports are submitted to the HOD on the activities of the relevant divisions within Corporate Services.

*HR Strategy*
The HR Strategy was approved at the Local Labour Forum and by Council in 2008. The HR Road show, was planned to take place in October/November 2009, to market the HR Strategy and the implementation thereof. The road show did not succeed due to both the time and financial constraints. It is envisaged that the HR strategy will be kick started during January 2011.The HR Road Show will involve all officials of Council and also Councilors' in order to be transparent and to keep every stakeholder informed of the HR strategic processes. Hopefully, all the stakeholders will be reading from the same page.

**CORPORATE AND LEGAL SERVICES DIVISION**

The Corporate and Legal Services division is headed by the Manager: Corporate and Legal Services and is comprised of three pivotal sections. The three sections are as follows: Records and Archives, supervised by the Chief Administrative Officer(Records); Typing Pool / Administrative Hub supervised by the Chief Administrative Officer and the Legal Advice office is under the supervision of the Legal Advisor.

*Typing Pool / Administrative Hub*

The typing pool is the administrative conveyor belt of LLM responsible for the overall compilation and distribution of Council's documentation; for all Council committees; their co-ordination and the compilation of the agenda for each of those structures. For the 2009/2010 financial year, Council had scheduled three ordinary meetings per quarter and eleven per year excluding the month of December 2009. Below are the actual sittings of the ordinary and extra ordinary meetings as per schedule including other Council Committees for the 2009/10 financial year.

*Meetings of Council & Council committees held for the 2009/10 financial year*

| Type of Meetings | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Number of Meetings |
|---|---|---|---|---|---|
| **COUNCIL** | | | | | |
| Ordinary Council | 3 | 2 | 3 | 3 | 11 |
| Special Council | 1 | 1 | 0 | 1 | 3 |
| **MAYORAL** | | | | | |
| Ordinary Mayoral | 3 | 2 | 3 | 3 | 11 |
| Special Mayoral | 3 | 3 | 3 | 4 | 13 |
| **BIDS** | | | | | |
| Bid Specification | 8 | 2 | 1 | 5 | 16 |
| Bid Evaluation | 6 | 4 | 2 | 4 | 16 |
| Bid Ajudication | 4 | 3 | 2 | 2 | 11 |
| **AUDIT** | | | | | |
| Audit Performance | 1 | 1 | 1 | 1 | 4 |
| **TRIBUNALS** | | | | | |
| Tribunal/s | None | None | None | None | None |

| Type of Meetings | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total Number of Meetings |
|---|---|---|---|---|---|
| **WARDS** | | | | | |
| Ward Committee | 3 per ward | 3 per ward | 3 per ward | 3 per ward | 12 per ward/ per year |
| **SECTION 80** | | | | | |
| Finance & Admin Section 80 | 1 | 1 | 0 | 0 | 2 |
| Community Services Section 80 | 0 | 1 | 0 | 0 | 1 |
| Development Planning Services Section 80 | 0 | 1 | 0 | 0 | 1 |
| Service Delivery Section 80 | 1 | 1 | 0 | 0 | 2 |

*Tenders*

The department has supported other departments within LLM in the compilation and advertisement of tenders / bids by public tender. Tenders are advertised internally in the notice boards, externally in all municipal buildings, website, and local press largely in the Heraut as well as the Record. Furthermore, the advertisements are also placed in the national newspaper/s, including the CIDB for tenders involving construction.

*Publication of Notices*

Various notices were issued to the provincial gazette ranging from the publishing of the amendments to the LLM's Town Planning Scheme, 2003; the section 57 (1) notices with regard to alienation of municipal property in terms of section 79(18) of Local Government: Ordinance 17, 1939.

The notices of policies on the increment of tariffs on services; that is, water, electricity, sewerage and waste removal in the local press for the new financial year (2009/2010) were placed in the website and the local media for public consumption in June 2010. The notice on the publication of the fees structures is made available in the municipal centres of information.

*Council Resolutions*

The implementation of Council resolutions is the lifeblood of LLM. The resolutions of Council are about the fulfillment of Council business in ensuring the implementation of the Integrated Development Plan (IDP) and the Municipal Budget. Both these two crucial documents are consolidated into what is called the Service Delivery and Budget Implementation Plan (SDBIP) for easy reference and implementation on a quarterly basis. The Council resolutions are monitored for implementation on a monthly basis.

**LEGAL ADVICE OFFICE**

The LLM has its Integrated Development Plan (IDP) approved and implemented for the 2009/2010 financial year. Numerous contracts were instituted and the memoranda of agreement signed for the sole purpose of ensuring the proper execution of the approved projects and the acquisition of goods and services.

A number of matters were referred to the Attorneys that are serving in the panel of attorneys of LLM for the assessment and finalization of these matters. These matters are classified as follows: property transfers, regulation 38 certificates, the removal of restrictive conditions, consolidation of stands, the sub-division of stands and the request for the title deed VA copy.

## RECORDS AND ARCHIVES

The Records and archives section is managed by the personnel of seven including the Chief Administrative Officer as the supervisor. Two permanent drivers are deployed in this section for ferrying Councilors, municipal officials and carry out other Council duties like collecting post and distribution of Council agenda to all stakeholders. Two contractual drivers have been procured to serve as relief drivers in order to ease enormous burden faced by the other municipal drivers in their daily exercise of transport duties. Records receive and register all public correspondence and mail for assessment and the distribution of internal mail to the relevant departments, register the registered mail for accountability and post outgoing mail.

Records and archives serve the Municipality as the printing hub in making copies and bind official documents. The Council and its committees agenda is reproduced and distributed in this section to Councilors, municipal officials and to other stakeholders. The document storage facility is one cardinal area of this unit that ensures all stored documentation is retrievable when needed on the day to day storage area and from archives regulated by the National Archives Act. Material disposed is discarded in consultation with the National Archivist for approval. The referral of tasks internally to all relevant offices is done on control sheets as well as electronically by means of a system called Quidity. The Quidity system captures, assigns tasks, facilitates and tracks responses to tasks assigned. The system is enabled to upload contracts for meaningful management between and amongst departments on implementation. The contract management module's usage will be maximized on the revamped system.

## OFFICE OF THE SPEAKER

The Speaker of Council, Cllr. S. M. Phala presents the voice of all Councilors without political affiliation and is also the cog in the drive of the community participation. This office has brought about the adoption of the Petition's Management framework by Council.

The ward system has been spearheaded from this nerve centre and an audit and revival of ward committees has been carried out towards the end of the current financial year. A report will be tabled to Council in due course. All administrative support required by the wards for functionality is coordinated by the office of the Speaker. This office is managed by the operations officer and the secretary of the speaker in servicing Councilors.

This office has coordinated the Political Management Team (PMT) sittings that comprise of the Mayor, the Chief Whip of the ANC, the Municipal Manager as an ex officio and the convener, the Speaker of Council. The political team in its mandate ensures the carrying out of the political mandate by the administration.

## WORKFORCE PROFILE AND CORE & SUPPORT FUNCTIONS

### 1. WORKFORCE PROFILE

1.1 Please report the total number of **employees** (including employees with disabilities) in each of the following **occupational levels:** Note: A=Africans, C=Coloureds, I=Indians and W=Whites

1.2

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | 2 | | | 2 | 1 | | | | | | 5 |
| Senior Management | 4 | | | 2 | 3 | | | 2 | | | 11 |
| Professionally qualified and experienced specialists and mid-management | 8 | 1 | | 7 | 13 | | | 11 | | | 40 |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 27 | | | 15 | 10 | | 1 | | | | 53 |
| Semi-skilled and discretionary decision making | 78 | 4 | | 13 | 45 | | 1 | 11 | | | 152 |
| Unskilled and defined decision making | 182 | | | | 36 | | | | | | 218 |
| TOTAL PERMANENT | 301 | 5 | | 39 | 108 | | 2 | 24 | | | 479 |
| Temporary Employees | 14 | 1 | | 5 | 34 | 1 | | 3 | | | 58 |
| **Grand Total** | **315** | **6** | | **44** | **142** | **1** | **2** | **27** | | | **537** |

1.3 Please report the total number of **employees with disabilities** only in each of the following occupational levels: Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | 1 | | | | | | | 1 |
| Senior Management | | | | | | | | | | | |
| Professionally qualified and experienced specialists and mid-management | | | | | | | | | | | |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | | | | 1 | | | | | | | 1 |
| Semi-skilled and discretionary decision making | 1 | | | | | | | | | | 1 |
| Unskilled and defined decision making | 1 | | | | 2 | | | | | | 3 |
| TOTAL PERMANENT | 2 | | | 2 | 2 | | | | | | 6 |
| Temporary Employees | | | | | | | | | | | |
| **Grand Total** | **2** | | | **2** | **2** | | | | | | **6** |

## 2. Core Operation Functions and Support Functions by Occupational Level

A job could either be a Core operation function or a Support function. Core operation Function positions are those that directly relate to the core business of an organization and may lead to revenue generation e.g. sales production, etc. Support Function positions provide infrastructure and other enabling conditions for revenue generation e.g. human resources corporate services etc.

2.1 Please indicate the total number of employees (including people with disabilities), that are involved in **Core Operation Function** positions at each level in your organization only. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | 2 | | | | | | | 2 |
| Senior Management | 2 | | | | 2 | | | 1 | | | 5 |
| Professionally qualified and experienced specialists and mid-management | 2 | | | 2 | 1 | | | | | | 5 |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 19 | | | 10 | 5 | | | | | | 34 |
| Semi-skilled and discretionary decision making | 34 | 3 | | 5 | 15 | | 1 | 6 | | | 64 |
| Unskilled and defined decision making | 111 | | | | 11 | | | | | | 122 |
| TOTAL PERMANENT | 168 | 3 | | 19 | 34 | | 1 | 7 | | | 232 |
| Temporary Employees | 5 | 1 | | 5 | 8 | | | 3 | | | 22 |
| **Grand Total** | **173** | **4** | | **24** | **42** | | **1** | **10** | | | **254** |

2.2 Please indicate the total number of employees (including people with disabilities), that are involved in **Support Function** positions at each level in your organization. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | 2 | | | | 1 | | | | | | 3 |
| Senior Management | 2 | | | 2 | 1 | | | 1 | | | 6 |
| Professionally qualified and experienced specialists and mid-management | 6 | 1 | | 5 | 13 | | | 10 | | | 35 |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 8 | | | 5 | 5 | | 1 | | | | 19 |
| Semi-skilled and discretionary decision making | 44 | 1 | | 8 | 30 | | | 5 | | | 88 |
| Unskilled and defined decision making | 71 | | | | 25 | | | | | | 96 |
| TOTAL PERMANENT | 133 | 2 | | 20 | 75 | | 1 | 16 | | | 247 |
| Temporary Employees | 9 | | | | 26 | 1 | | | | | 36 |
| **Grand Total** | **142** | **2** | | **20** | **101** | **1** | **1** | **16** | | | **283** |

## SECTION C: WORKFORCE MOVEMENT

### 3. Recruitment

3.1 Please report the total number of new recruits, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | 1 | | | | | | | | | | 1 |
| Senior Management | | | | | | | | 1 | | | 1 |
| Professionally qualified and experienced specialists and mid-management | | | | | 1 | | | | | | 1 |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 1 | | | 1 | 3 | | 1 | | | | 6 |
| Semi-skilled and discretionary decision making | 26 | | | 4 | 34 | 1 | | 4 | | | 69 |
| Unskilled and defined decision making | 23 | | | | 3 | | | | | | 26 |
| TOTAL PERMANENT | 51 | | | 5 | 41 | 1 | 1 | 5 | | | 104 |
| Temporary Employees | 14 | | | 1 | 8 | 1 | | | | | 24 |
| **Grand Total** | **65** | | | **6** | **49** | **2** | **1** | **5** | | | **128** |

### 4. Promotion

4.1 Please report the total number of promotions into each occupational level, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | | | | | | | | |
| Senior Management | | | | | | | | | | | |
| Professionally qualified and experienced specialists and mid-management | | | | | | | | | | | |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | | | | | | | | | | | |
| Semi-skilled and discretionary decision making | | | | | | | | | | | |
| Unskilled and defined decision making | | | | | | | | | | | |
| TOTAL PERMANENT | | | | | | | | | | | |
| Temporary Employees | | | | | | | | | | | |
| **Grand Total** | | | | | | | | | | | |

## 5. Termination

5.1 Please report the total number of terminations in each occupational level, including people with disabilities. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | | 1 | | | | | | 1 |
| Senior Management | 1 | | | | | | | 1 | | | 2 |
| Professionally qualified and experienced specialists and mid-management | 4 | | | | 11 | | | | | | 15 |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 3 | | | 2 | 5 | | | | | | 10 |
| Semi-skilled and discretionary decision making | 24 | | | 1 | 31 | 2 | | 6 | | | 64 |
| Unskilled and defined decision making | 53 | | | | 28 | 1 | | 3 | | | 85 |
| TOTAL PERMANENT | 85 | | | 3 | 76 | 3 | | 10 | | | 177 |
| Temporary Employees | 47 | 1 | | 2 | 42 | 3 | | 3 | | | 98 |
| **Grand Total** | **132** | 1 | | **5** | **118** | **6** | | **13** | | | **275** |

5.2 Please report the total number of terminations, including people with disabilities, in each **termination category** below. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Resignation | 13 | | | 3 | 18 | 3 | | 4 | | | 41 |
| Non-renewal of contract | 108 | 1 | | 1 | 99 | 3 | | 9 | | | 221 |
| Retrenchment - operational requirements | | | | | | | | | | | |
| Dismissal - misconduct | 3 | | | 1 | | | | | | | 4 |
| Dismissal - incapacity | 1 | | | | | | | | | | 1 |
| Retirement | 6 | | | | | | | | | | 6 |
| Death | 1 | | | | 1 | | | | | | 2 |
| **TOTAL** | **132** | **1** | | **5** | **118** | **6** | | **13** | | | **275** |

## SECTION D: SKILLS DEVELOPMENT

### 6. Skills Development

6.1 Please report the total number of people from the designated groups, including people with disabilities, who received training **solely** for the purpose of achieving the numerical goals, and not the number of training courses attended by individuals. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | |
| Top Management | | | | | | | | | |
| Senior Management | | | | 1 | 2 | | | 1 | 4 |
| Professionally qualified and experienced specialists and mid-management | 1 | | | 1 | 1 | | | 1 | 4 |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 29 | | | 17 | 38 | | | 10 | 94 |
| Semi-skilled and discretionary decision making | 5 | | | 4 | 15 | | 1 | 2 | 27 |
| Unskilled and defined decision making | 20 | | | | 3 | | | | 23 |
| TOTAL PERMANENT | 55 | | | 23 | 59 | | 1 | 14 | 152 |
| Temporary Employees | | | | | | | | | |
| **Grand Total** | **55** | | | **23** | **59** | | **1** | **14** | **152** |

6.2 Please report the total number of **people with disabilities** only who received training **solely** for the purpose of achieving the numerical goals, and not the number of training courses attended by individuals. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | |
| Top Management | | | | | | | | | |
| Senior Management | | | | | | | | | |
| Professionally qualified and experienced specialists and mid-management | | | | | | | | | |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | | | | 1 | | | | | 1 |
| Semi-skilled and discretionary decision making | | | | | | | | | |
| Unskilled and defined decision making | | | | | | | | | |
| TOTAL PERMANENT | | | | 1 | | | | | 1 |
| Temporary Employees | | | | | | | | | |
| **Grand Total** | | | | **1** | | | | | **1** |

## SECTION E: NUMERICAL GOALS AND TARGETS

### 7. Numerical Goals

7.1 Please indicate the numerical goals (i.e. the workforce profile) you project to achieve for the total number of employees, including people with disabilities, at the end of your current employment equity plan in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites:

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | | 1 | | | | | | 1 |
| Senior Management | | | | | | | | 1 | | | 1 |
| Professionally qualified and experienced specialists and mid-management | | | | | 1 | | | | | | 1 |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 2 | 1 | | 1 | 1 | 1 | | | | | 6 |
| Semi-skilled and discretionary decision making | 5 | | | | 5 | 2 | | 4 | | | 16 |
| Unskilled and defined decision making | 1 | 1 | 2 | 2 | 29 | 1 | 1 | 1 | | | 38 |
| TOTAL PERMANENT | 8 | 2 | 2 | 3 | 37 | 4 | 1 | 6 | | | 63 |
| Temporary Employees | | | | | | | | | | | |
| **Grand Total** | **8** | **2** | **2** | **3** | **37** | **4** | **1** | **6** | | | **63** |

7.2 Please indicate the numerical goals (i.e. the workforce profile) you project to achieve for the total number of **employees with disabilities** only at the end of your current employment equity plan in terms of occupational levels.

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | 1 | | | | | | | | | | 1 |
| Senior Management | | | | | | | | | | | |
| Professionally qualified and experienced specialists and mid-management | | | | | | | | | | | |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | | | | | | | | | | | |
| Semi-skilled and discretionary decision making | 1 | | | | 1 | | | | | | 2 |
| Unskilled and defined decision making | 2 | | | | 1 | | | 1 | | | 4 |
| TOTAL PERMANENT | 4 | | | | 2 | | | 1 | | | 7 |
| Temporary Employees | | | | | | | | | | | |
| **Grand Total** | **4** | | | | **2** | | | **1** | | | **7** |

## 8. Numerical Targets

8.1 Please indicate the numerical targets (i.e. the workforce profile) you project to achieve for the total number of employees, including people with disabilities, at the end of the next reporting in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | | 1 | | | | | | 1 |
| Senior Management | | | | | | | | 1 | | | 1 |
| Professionally qualified and experienced specialists and mid-management | | | | | 1 | | | | | | 1 |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | 2 | 1 | | 1 | 1 | 1 | | | | | 6 |
| Semi-skilled and discretionary decision making | 5 | | | | 5 | 2 | | 4 | | | 16 |
| Unskilled and defined decision making | 1 | 1 | 2 | 2 | 29 | 1 | 1 | 1 | | | 38 |
| TOTAL PERMANENT | 8 | 2 | 2 | 3 | 37 | 4 | 1 | 6 | | | 63 |
| Temporary Employees | | | | | | | | | | | |
| **Grand Total** | **8** | **2** | **2** | **3** | **37** | **4** | **1** | **6** | | | **63** |

8.2 Please indicate the numerical targets (i.e. the workforce profile) you project to achieve for the total number of **employees with disabilities** only at the end of the next reporting period in terms of occupational levels. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Occupational Levels | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| Top Management | | | | | | | | | | | |
| Senior Management | | | | | | | | | | | |
| Professionally qualified and experienced specialists and mid-management | | | | | | | | | | | |
| Skilled Technical and academically qualified workers, junior management, supervisors, foremen and superintendents | | | | | | | | | | | |
| Semi-skilled and discretionary decision making | | | | | | | | | | | |
| Unskilled and defined decision making | 1 | | | | | | | | | | 1 |
| TOTAL PERMANENT | 1 | | | | | | | | | | 1 |
| Temporary Employees | | | | | | | | | | | |
| **Grand Total** | **1** | | | | | | | | | | **1** |

## SECTION F: MONITORING AND EVALUATION

### 9. Disciplinary Action

9.1 Disciplinary action: (report the total number of disciplinary actions during the twelve months preceding this report). Report on formal outcomes only. Note: A=Africans, C=Coloureds, I=Indians and W=Whites

| Disciplinary Action | MALE | | | | FEMALE | | | | Foreign Nationals | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| | 4 | | | 1 | | | | | | | 5 |

### 10. Awareness of Employment Equity

10.1 Please indicate which of the following awareness measures were implemented by your organization:

| | YES | NO | No. of employees covered |
|---|---|---|---|
| Formal written communication | | x | |
| Policy statement includes reference to employment equity | x | | All |
| Summary of the act displayed | x | | All |
| Employment equity training | | x | |
| Diversity management programmes | | x | |
| Discrimination awareness programmes | | x | |

### 11. Consultation

11.1. Please indicate which stakeholders were involved in the consultation process when developing and implementing your employment equity plan and when preparing this Employment Equity Report:

| | YES | NO |
|---|---|---|
| Consultative body or employment equity forum | x | |
| Registered trade union (s) | x | |
| Employees | | x |

Number of Pension Funds Organisations.

1 Joint Municipal Employees Pension Fund;
2 Municipal Gratuity Fund;
3 Municipal Employees Pension Fund;
4 Germiston Pension Fund;
5 South African Municipal Workers Pension Fund ;and
6 South African Local Authority Pension Fund.

Number of Medical Aid Schemes

1 Bonitas;
2 Munimed;
3 SAMWU-Med;
4 LA Health;
5 Global Health; and
6 Hosmed.

Council honours all its responsibilities towards the timeous payments of subscriptions to both the medical aid schemes and the pension funds organization.

# Chapter 4

# Audited Statements and Related Financial Information

## LESEDI LOCAL MUNICIPALITY

### REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 30 June 2010.

### Corporate governance arrangements

The Audit Committee plays a critical role in the corporate governance of the municipality. The Audit Committee convened four times during the year on the following dates: 21 August 2009, 20 November 2009, 19 February 2010 and 21 May 2010.

The Audit Committee comprised of the following members:
R.S. LOUBSER (Chairperson)
H.C. BOTHA (Public Participant)
G. CLARKE (Public Participant)

The composition of the Audit Committee is not in accordance with the new Audit Charter of the Lesedi Local Municipality and the King Report on Corporate Governance as the municipality has been unable to appoint one other public participant.

### Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from the Municipal Finance and Management Act. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### The effectiveness of internal control

The Audit Committee guided the Internal Audit unit in the preparation and implementation of the annual audit plan. The Internal Audit function has been outsourced to Siswe Ntsabula. The Auditor-General placed reliance on the internal audit. The system of internal control is effective as the various reports of Internal Auditors, the Audit Report on the Annual Financial Statements and the management letter of the Auditor-General has reported compliance with prescribed policies and procedures.

The quality of monthly and quarterly reports submitted in terms of the Act

Internal Audit was requested to review the key accounting procedures. The Committee is satisfied with the quality of monthly and quarterly reports prepared and issued by the Accounting Officer and the Department during the year under review. Management addressed control weaknesses timeously.

Evaluation of financial statements

The Audit Committee has

- reviewed and discussed the 2010 audited annual financial statements with the Auditor-General and the Chief Financial Officer to be included in the annual report; and

- reviewed the Auditor-General's management letter for 2010 and management's response thereto.

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

The Auditor-General issued an unqualified Audit Report on the 2010 financial statements.

CHAIRPERSON OF THE AUDIT COMMITTEE
DATE : 10 DECEMBER 2010

Lesedi Local Municipality (GT423)
Annual Financial Statements
for the year ended 30 June 2010

Auditor-General
Issued 30 November 2010

## General Information

| | |
|---|---|
| **Legal form of entity** | Local Municipality |
| **Legislation governing the municipality's operations** | MFMA (No. 56 of 2003) |
| **Mayoral committee** | |
| Executive Mayor | BJ Modisakeng |
| Councillors | TS Moremi |
| | AV Madonsela |
| | JC Jonck |
| | LF Maloka |
| **Grading of local authority** | Category 4 Local Municipality |
| **Chief Finance Officer (CFO)** | GS Herholdt (Acting) |
| **Registered office** | Civic Centre<br>C/o H F Verwoerd & Louw Streets<br>Heidelberg<br>1441 |
| **Accounting Officer** | PJ van den Heever |
| **Postal address** | P O Box 201<br>Heidelberg<br>Gauteng<br>1441 |
| **Bankers** | ABSA Bank |
| **Auditors** | Auditor-General |

# Index

The reports and statements set out below comprise the annual financial statements presented to the council:


| Index | Page |
|---|---|
| Accounting Officer's Responsibilities and Approval | 111 |
| Report of the Auditor General | 112-116 |
| Statement of Financial Position | 117 |
| Statement of Financial Performance | 118 |
| Statement of Changes in Net Assets | 119 |
| Cash flow statement | 120 |
| Accounting Policies | 121-130 |
| Notes to the Annual Financial Statements | 131-161 |
| Appendixes: | |
| Appendix A: Schedule of External loans | 163 |
| Appendix B: Analysis of Property, Plant and Equipment | 164-165 |
| Appendix C: Segmental analysis of Property, Plant and Equipment | 166 |
| Appendix D: Segmental Statement of Financial Performance | 167 |
| Appendix E(1): Actual versus Budget (Revenue and Expenditure) | 168 |
| Appendix E(2): Actual versus Budget (Acquisition of Property, Plant and Equipment) | 169 |
| Appendix F: Disclosure of Grants and Subsidies in terms of the Municipal Finance Management Act | 170-171 |


**Abbreviations**

| | |
|---|---|
| DBSA | Development Bank of South Africa |
| SA GAAP | South African Statements of Generally Accepted Accounting Practice |
| GRAP | Generally Recognised Accounting Practice |
| IAS | International Accounting Standards |
| IMFO | Institute of Municipal Finance Officers |
| IPSAS | International Public Sector Accounting Standards |
| MFMA | Municipal Finance Management Act |
| MIG | Municipal Infrastructure Grant (Previously CMIP) |

# Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP).

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the Council sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that, in all reasonable circumstances, is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2011 and, in the light of this review and the current financial position, is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the municipality's annual financial statements. The annual financial statements have been examined by the municipality's external auditors and their report is presented on page 112

The annual financial statements set out on pages 117-171 which have been prepared on the going concern basis, were approved by the Council on 31 August 2010 and were signed on its behalf by:

**Accounting Officer**
**Designation**

**Heidelberg**

**31 August 2010**

## AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE AND THE COUNCIL ON LESEDI LOCAL MUNICIPALITY

### REPORT ON THE FINANCIAL STATEMENTS

**Introduction**

1. I have audited the accompanying financial statements of the Lesedi Local Municipality, which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 117-161

**Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor-General's responsibility**

3. As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) my responsibility is to express an opinion on these financial statements based on my audit.

4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Lesedi Local Municipality for the year ended 30 June 2010 and its financial performance and its cash flows for the year then ended, in all material respects, in accordance with SA Standards of GRAP and in the manner required by the MFMA.

**Emphasis of matters**

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

**Restatement of corresponding figures**

9. As disclosed in note 4 to the financial statements, the corresponding figures for 30 June 2009 were restated as a result of additional information that came to light during 30 June 2010 in the financial statements of Lesedi Local Municipality at, and for the year ended, 30 June 2009.

**Material losses**

10. As disclosed in note 52 to the financial statements, material losses to the amounts of R9 918 806 (2009: R7 372 435) and R1 480 204 (2009: R2 090 570) were incurred as a result of electricity and water losses respectively.

**Additional matters**

11. I draw attention to the matters below. My opinion is not modified in respect of these matters:

**Unaudited supplementary schedules**

12. The supplementary information set out on pages 162 to 171 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

13. As required by the PAA and in terms of *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the

report on predetermined objectives, compliance with MFMA and financial management (internal control).

**Predetermined objectives**

**Usefulness of reported performance information**

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

14. For the Service Delivery and Infrastructure Development Unit, 100% of the planned and reported targets were not:

- specific in clearly identifying the nature and the required level of performance;
- measurable in identifying the required performance;
- time bound in specifying the time period or deadline for delivery.

**Accounting officers and municipal officials have not adhered to their statutory responsibilities**

15. Contrary to the requirements of section 72 of the MFMA, the accounting officer did not submit the mid-year assessment report by the 25th January 2010 to Gauteng Department of Finance: Treasury Division. The compliance was completed by the municipality on the 23rd February 2010.

**Compliance with laws and regulations**

**Municipal Finance Management 2003(Act, No. 56 of 2003)**

**Expenditure was not paid within the parameters set by the applicable legislation**

16. Contrary to the requirements of Section 65 (2) (e) of the MFMA, the accounting officer did not take reasonable steps to ensure that certain money owed is paid within 30 days of receiving the relevant invoice or statement.

**Financial statements were subject to material misstatements**

17. Contrary to the requirements of section 122 (1) of the MFMA, the municipality did not prepare financial statements in accordance with the legislative requirements as the financial statements submitted for audit on 30 August 2010 did not fairly present the state of affairs of the municipality as there were material amendments made to assets, payables and investment property arising from the audit.

**Municipality did not obtain the licence to operate a landfill site**

18. Contrary to the requirements of section 20(1) of the Environmental Conservation Amendment Act, 2003 as amended by Government Gazette No 26023, the municipality operated the landfill site without obtaining the necessary licence.

**INTERNAL CONTROL**

19. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives as well as compliance with the MFMA, but not for the purpose of expressing an opinion on the effectiveness of internal control.
20. The matters reported below are limited to the findings on compliance with laws and regulations.

- **Leadership**

  *Oversight responsibility*

  The accounting officer did not exercise oversight responsibility over reporting and compliance with laws and regulations and internal control.

  - The assessment of the performance of the municipality during the first half of the financial year, taking into account the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan were only submitted by the municipality on 23rd February 2010.
  - The municipality has operated a landfill site without obtaining the necessary licence. The landfill site is in its second of a four year closure period. Due to the legislated process to establish a new site, taking about four years to complete, this is the required close down period of the old site.

- **Financial and performance management**

  *Quality, reliable monthly financial statements and management information*

  The financial statements were subject to material amendments resulting from the audit. The financial statements and other information to be included in the annual report were not adequately reviewed for completeness and accuracy prior to submission for audit.

Systems are not appropriate over compliance to with MFMA with regard to payment of certain suppliers within 30 days from receipt of the invoice

- **Governance**
  No matters to be reported.

Auditor - General

Johannesburg
29 November 2010

AUDITOR-GENERAL
SOUTH AFRICA

*Auditing to build public confidence*

## Statement of Financial Position

| Figures in Rand | Note(s) | 2010 | 2009 |
|---|---|---|---|
| **Assets** | | | |
| Current Assets | | | |
| Inventories | 10 | 17 853 189 | 4 586 397 |
| Other receivables from exchange transactions | 11 | 5 544 760 | 7 253 057 |
| VAT receivable | 12 | 12 566 703 | 5 560 924 |
| Consumer debtors | 13 | 29 400 487 | 32 930 650 |
| Cash and cash equivalents | 14 | 26 958 088 | 39 181 936 |
| | | **92 323 227** | **89 512 964** |
| Non-Current Assets | | | |
| Investment property | 4 | 285 707 001 | 299 793 001 |
| Property, plant and equipment | 5 | 293 611 904 | 280 464 470 |
| Intangible assets | 6 | 1 126 073 | 699 336 |
| | | **580 444 978** | **580 956 807** |
| Non-Current Assets | | 580 444 978 | 580 956 807 |
| Current Assets | | 92 323 227 | 89 512 964 |
| Non-current assets held for sale (and) (assets of disposal groups) | | - | - |
| **TOTAL ASSETS** | | **672 768 205** | **670 469 771** |
| **Liabilities** | | | |
| Current Liabilities | | | |
| Other financial liabilities | 15 | 4 792 706 | 4 150 968 |
| Trade and other payables from exchange transactions | 18 | 35 952 857 | 28 422 550 |
| Consumer deposits | 19 | 6 168 838 | 5 785 330 |
| Unspent conditional grants and receipts | 16 | 18 924 485 | 16 210 238 |
| Provisions | 17 | 4 711 747 | 3 991 077 |
| | | **70 550 633** | **58 560 163** |
| Non-Current Liabilities | | | |
| Other financial liabilities | 15 | 49 366 600 | 45 189 098 |
| Provisions | 17 | 1 261 982 | 802 760 |
| | | **50 628 582** | **45 991 858** |
| Non-Current Liabilities | | 50 628 582 | 45 991 858 |
| Current Liabilities | | 70 550 633 | 58 560 163 |
| Liabilities of disposal groups | | - | - |
| **TOTAL LIABILITIES** | | **121 179 215** | **104 552 021** |
| Assets | | 672 768 205 | 670 469 771 |
| Liabilities | | (121 179 215) | (104 552 021) |
| **NET ASSETS** | | **551 588 990** | **565 917 750** |
| **Net Assets** | | | |
| Accumulated surplus | | 551 588 995 | 565 917 753 |

## Statement of Financial Performance

| Figures in Rand | Note(s) | 2010 | 2009 |
|---|---|---|---|
| **Revenue** | | | |
| Property rates | 22 | 29 284 647 | 27 245 369 |
| Service charges | 23 | 189 222 772 | 153 340 995 |
| Rental of facilities and equipment | | 3 007 924 | 2 864 910 |
| Fines | | 2 455 529 | 3 893 074 |
| Government grants & subsidies | 24 | 71 267 955 | 84 981 754 |
| Recoveries/Insurance | | 720 899 | - |
| Interest received - Investment revenue | 31 | 2 422 326 | 8 579 806 |
| **Total Revenue** | | **298 382 052** | **280 905 908** |
| **Expenditure** | | | |
| Employee related costs | 27 | (73 633 233) | (67 157 854) |
| Remuneration of councillors | 28 | (5 490 897) | (5 075 401) |
| Administration costs | 29 | (5 500) | (11 212) |
| Depreciation and amortisation | 33 | (27 435 567) | (23 924 979) |
| Debt impairment | 30 | (34 731 732) | (20 257 350) |
| Collection costs | | (981 678) | (1 595 630) |
| Repairs and maintenance | | (14 958 259) | (12 390 085) |
| Bulk purchases | 38 | (103 912 273) | (83 044 344) |
| Contracted services | 37 | (2 131 324) | (2 063 192) |
| General expenses | 25 | (44 776 008) | (40 485 803) |
| Finance costs | 34 | (4 639 961) | (4 532 316) |
| **Total Expenditure** | | **(312 696 432)** | **(260 538 166)** |
| Loss on disposal of assets and liabilities | | (14 379) | (228 298) |
| Revenue | | 298 382 052 | 280 905 908 |
| Expenditure | | (312 696 432) | (260 538 166) |
| Other | | (14 379) | (228 298) |
| **(Deficit) surplus for the year** | | **(14 328 759)** | **20 139 444** |

## Statement of Changes in Net Assets

| Figures in Rand | Accumulated surplus | Total net assets |
|---|---|---|
| Opening balance as previously reported | 245 985 309 | 245 985 309 |
| Adjustments | | |
| Change in accounting policy | 299 793 000 | 299 793 000 |
| **Balance at 01 July 2008 as restated** | **545 778 309** | **545 778 309** |
| Changes in net assets | | |
| Surplus/(Deficit) for the year | 20 139 444 | 20 139 444 |
| Total changes | 20 139 444 | 20 139 444 |
| **Balance at 01 July 2009** | **565 917 754** | **565 917 754** |
| Changes in net assets | | |
| Surplus/(Deficit) for the year | (14 328 759) | (14 328 759) |
| Total changes | (14 328 759) | (14 328 759) |
| **Balance at 30 June 2010** | **551 588 995** | **551 588 995** |

## Cash flow statement

| Figures in Rand | Note(s) | 2010 | 2009 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| **Receipts** | | | |
| Sale of goods and services | | 206 777 783 | 183 795 329 |
| Grants | | 75 346 358 | 76 841 439 |
| Interest income | | 2 422 326 | 8 579 806 |
| | | 284 546 467 | 269 216 574 |
| **Payments** | | | |
| Employee costs | | (79 124 130) | (72 233 255) |
| Suppliers | | (176 801 346) | (163 392 920) |
| Finance costs | | (4 639 961) | (4 532 316) |
| | | (260 565 437) | (240 158 491) |
| Total receipts | | 284 546 467 | 269 216 574 |
| Total payments | | (260 565 437) | (240 158 491) |
| **Net cash flows from operating activities** | 39 | **23 981 030** | **29 058 083** |
| **Cash flows from investing activities** | | | |
| Purchase of property, plant and equipment | 5 | (40 304 237) | (65 167 753) |
| Proceeds from sale of property, plant and equipment | 5 | 1 | 422 805 |
| Purchase of other intangible assets | 6 | (719 881) | (803 181) |
| Proceeds from sale of financial assets | | - | 61 000 |
| **Net cash flows from investing activities** | | **(41 024 117)** | **(65 487 129)** |
| **Cash flows from financing activities** | | | |
| Proceeds from other financial liabilities | 15 | 8 724 278 | 4 185 132 |
| Repayment of other financial liabilities | 15 | (3 905 038) | (3 502 343) |
| Other cash item | 40 | - | (381 543) |
| **Net cash flows from financing activities** | | **4 819 240** | **301 246** |
| **Net decrease in cash and cash equivalents** | | **(12 223 847)** | **(36 127 800)** |
| Cash and cash equivalents at the beginning of the year | | 39 181 936 | 75 309 735 |
| **Cash and cash equivalents at the end of the year** | 14 | **26 958 089** | **39 181 935** |

## Accounting Policies

### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next twelve months and are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period, unless explicitly stated otherwise. The details of any changes in accounting policies are explained in the relevant policies.

### 1.1 Presentation of currency

These annual financial statements are presented in South African Rand.

### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. These judgements and sources of estimation uncertainty have been covered in the relevant notes.

### 1.3 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

**Cost model**

Investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided to write down the cost, less estimated residual value over the useful life of the property, which is as follows:

| Item | Useful life |
|---|---|
| Property - land | indefinite |
| Property - buildings | 30 years |
| Lifts | 30 years |
| Air-conditioners | 5 years |

**Transitional provision**

According to the transitional provision as per Directive 4, the municipality is not required to measure investment property for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Investment property. Investment property has accordingly been recognised at provisional amounts, as disclosed in 4. The transitional provision expires on 30 June 2012.

# Accounting Policies

### 1.3 Property, plant and equipment (continued)

Until such time as the measurement period expires and investment property is recognised and measured in accordance with the requirements of the Standard of GRAP on Investment property, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Non-current Assets Held for Sale and Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Investment property implies that any associated presentation and disclosure requirements need not be complied with for investment property not measured in accordance with the requirements of the Standard of GRAP on Investment property.

### 1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

# Accounting Policies

### 1.4 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

| Item | Average useful life in years |
|---|---|
| Infrastructure | |
| • Roads and paving | 10 - 30 |
| • Electricity | 20 - 30 |
| • Water | 15 - 20 |
| • Sewerage | 15 - 20 |
| • Landfill site | 17 |
| Community | |
| • Buildings | 30 |
| • Recreational Facilities | 20 - 30 |
| • Security | 5 |
| Other property, plant and equipment | |
| • Buildings | 30 |
| • Specialist vehicles | 10 |
| • Other vehicles | 5 |
| • Furniture and fittings | 7 |
| • Vehicles | 5 |
| • Bins and containers | 5 |
| • Office equipment | 3-7 |
| Heritage | |
| • Museums & other collectables | indefinite |

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

**Transitional provision**

The municipality changed its accounting policy for property, plant and equipment in 2007. The change in accounting policy is made in accordance with its transitional provision as per Directive 4 of the GRAP Reporting Framework.

According to the transitional provision, the municipality is not required to measure property, plant and equipment for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Property, plant and equipment. Property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in 5. The transitional provision expires on 30 June 2011.

In accordance with the transitional provision as per Directive 4 of the GRAP Reporting Framework, where property, plant and equipment was acquired through a transfer of functions, the municipality is not required to measure that property, plant and equipment for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The municipality acquired a transfer(s) of function in 2003 and property, plant and equipment have accordingly been recognised at provisional amounts, as disclosed in note 5.

Until such time as the measurement period expires and property, plant and equipment are recognised and measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment, the municipality need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Non-current Assets Held for Sale and Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the standard of GRAP on Property, plant and equipment implies that any associated presentation and disclosure requirements need not be complied with for property, plant and equipment not measured in accordance with the requirements of the standard of GRAP on Property, plant and equipment.

### 1.5 Intangible assets

Intangible assets are initially recognised at cost.

# Accounting Policies

### 1.5 Intangible assets (continued)

Computer software is capitalised to computer equipment where it forms an integral part of computer equipment.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

Amortisation is provided to write down the Intangible assets, on a straight line basis, to their residual values as follows:

| Item | Useful life |
|---|---|
| Computer software | 3 years |

### 1.6 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Useful life is either;

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality

**Identification**

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

**Value in use**

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

**Recognition and measurement (individual asset)**

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

### 1.7 Impairment of non-cash-generating assets

# Accounting Policies

### 1.7 Impairment of non-cash-generating assets (continued)

Non-cash-generating assets are assets other than cash-generating assets.

**Identification**

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

**Recognition and measurement**

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.8 Financial instruments

**Classification**

The municipality classifies financial assets and financial liabilities into the following categories:
- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

**Initial recognition and measurement**

Financial instruments are recognised initially when the municipality becomes a party to the contractual provisions of the instruments.

The municipality classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through surplus or deficit are recognised in surplus or deficit.

**Subsequent measurement**

Financial instruments at fair value through surplus or deficit are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in surplus or deficit for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

# Accounting Policies

### 1.8 Financial Instruments (continued)

**Trade and other receivables**

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost. Amortised cost referres to the initial carrying amount, plus interest, less repayments and impairments. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

**Trade and other payables**

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

**Derivatives**

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives held for trading are classified as financial assets at fair value. Fair value adjustments are accounted for in the Statement of Financial Performance as surplus or deficit.

**Held to maturity**

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

# Accounting Policies

### 1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### 1.10 Borrowing costs

### 1.11 Provisions and contingencies

Provisions are recognised when:
- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A constructive obligation to restructure arises only when an entity:
- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:
- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the municipality

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 42.

### 1.12 Employee benefits

**Short-term employee benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

**Defined contribution plans**

# Accounting Policies

### 1.12 Employee benefits (continued)

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

### 1.13 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised.

### 1.14 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

**Finance leases - lessor**

The municipality recognises finance lease receivables as assets on the statement of financial position. Such assets are presented as a receivable at an amount equal to the net investment in the lease.

Finance revenue is recognised based on a pattern reflecting a constant periodic rate of return on the municipality's net investment in the finance lease.

**Operating leases - the municipality as lessor**

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Income for leases is disclosed under revenue in statement of financial performance.

### 1.15 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of a municipality after deducting all of its liabilities.

### 1.16 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

**Measurement**

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

**Sale of goods**

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# Accounting Policies

### 1.16 Revenue from exchange transactions (continued)

**Rendering of services**

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

**Interest, royalties and dividends**

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

### 1.17 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

**Rates, including collection charges and penalties interest**

Changes to property values during a reporting period are done by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed.

# Accounting Policies

### 1.17 Revenue from non-exchange transactions (continued)

**Fines**

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

### 1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the Statement of Financial Performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Where unauthorised expenditure is not approved, it is recovered from the responsible person and the amount received is accounted for as revenue in the Statement of Financial Performance.

### 1.19 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Muncipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the relevant authority it is treated as a current asset until it is recovered or written off as irrecoverable in the Statement of Financial Performance.

### 1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.21 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.22 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

## 2. Changes in accounting policy

**Investment Property**

Investment Property has been adjusted with new information that became available during the current year. The change is made in accordance with Directive4.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2010 is as follows:

**Statement of financial position**

| | | |
|---|---|---|
| **Investment Property** | | |
| Adjustment | 299 793 000 | 29 973 000 |
| **Opening accumulated surplus** | | |
| Adjustment | (299 793 000) | (299 793 000) |

# Notes to the Annual Financial Statements

## 3. New standards and interpretations

### 3.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2011 or later periods:

**GRAP 18: Segment Reporting**

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

Directive 2 - Transitional provisions for public entities, municipal entities and constitutional institutions, states that no comparative segment information need to be presented on initial adoption of this Standard.

Directive 3 - Transitional provisions for high capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have no been recognised as a result of transitional provisions under the Standard of GRAP on Property, Plant and Equipment, recognition requirements of this Standard would not apply to such items until the transitional provision in that Standard expires.

Directive 4 – Transitional provisions for medium and low capacity municipalities states that no comparative segment information need to be presented on initial adoption of the Standard. Where items have not been recognised as a result of transitional provisions un the Standard of GRAP on Property, Plant and Equipment and the Standard of GRAP on Agriculture, the recognition requirements of the Standard would not apply to such items until the transitional provision in that standard expires.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

**GRAP 23: Revenue from Non-exchange Transactions**

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the municipality.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

# Notes to the Annual Financial Statements

**3. New standards and interpretations (continued)**

**GRAP 24: Presentation of Budget Information in the Financial Statements**

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and annual financial statements on a comparable basis, it includes the comparison as an additional column in the primary annual financial statements. Where the budget and annual financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the annual financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and annual financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

**GRAP 103: Heritage Assets**

Grap 103 defines heritage assets as assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset should be recognised as an asset only if:

- it is probable that future economic benefits or service potential associated with the asset will to the municipality; and
- the cost of fair value of the asset can be measured reliably.

The standard required judgment in applying the initial recognition criteria to the specific circumstances surrounding the entity and the assets.

Grap 103 states that a heritage asset should be measured at its cost unless it is acquired through a non-exchange transaction which should then be measured at its fair value as at the date of acquisition.

In terms of the standard, an entity has a choice between the cost and revaluation model as accounting policy for subsequent recognition and should apply the chosen policy to an entire class of heritage assets.

The cost model requires a class of heritage assets to be carried at its cost less any accumulated impairment losses.

The revaluation model required a class of heritage assets to be carried at its fair value at the date of the revaluation less any subsequent impairment losses. The standard also states that a restriction on the disposal of a heritage asset does not

## Notes to the Annual Financial Statements

**3. New standards and interpretations (continued)**
preclude the entity from determining the fair value.

Grap 103 prescribes that when determining the fair value of a heritage asset that has more than one purpose, the fair value should reflect both the asset's heritage value and the value obtained from its use in the production or supply of goods or services or for administrative purposes.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase should be credited directly to a revaluation surplus. However, the increase should be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease should be recognised in surplus or deficit. However, the decrease should be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Grap 103 states that a heritage asset should not be depreciated but an entity should assess at each reporting date whether there is an indication that it may be impaired.

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

For a transfer from heritage assets carried at a revalued amount to property, plant and equipment, investment property, inventories or intangible assets, the asset's deemed cost for subsequent accounting should be its revalued amount at the date of transfer. The entity should treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this Standard. If an item of property, plant and equipment or an intangible asset carried at a revalued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a revalued amount, the entity applies the applicable Standard of GRAP to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard of GRAP relating to that asset. For a transfer from investment property carried at fair value, or inventories to heritage assets at a revalued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

The carrying amount of a heritage asset should be derecognised:
- on disposal, or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

**GRAP 21: Impairment of non-cash-generating assets**

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

A municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:
- Depreciated replacement cost approach
- Restoration cost approach
- Service units approach

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a

# Notes to the Annual Financial Statements

**3. New standards and interpretations (continued)**
revaluation decrease.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

**GRAP 26: Impairment of cash-generating assets**

Cash-generating assets are those assets held by an municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

A municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, a municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and a municipality applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, a municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, a municipality

# Notes to the Annual Financial Statements

**3. New standards and interpretations (continued)**
estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

**GRAP 25: Employee benefits**

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires a municipality to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when a municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP25 defines, amongst others, the following:

- Employee benefits as all forms of consideration given by a municipality in exchange for service rendered by employees;
- Defined contribution plans as post-employment benefit plans under which a municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods;
- Defined benefit plans as post-employment benefit plans other than defined contribution plans;
- Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:
  - pool the assets contributed by various entities that are not under common control; and
  - use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned;
- Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;
- Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;
- Post-employment benefit plans as formal or informal arrangements under which a municipality provides post-employment benefits for one or more employees;
- Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;
- State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;
- Termination benefits as employee benefits payable as a result of either:
  - an entity's decision to terminate an employee's employment before the normal retirement date; or
  - an employee's decision to accept voluntary redundancy in exchange for those benefits;
- Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

- Short-term employee benefits;
  - All short-term employee benefits;
  - Short-term compensated absences;
  - Bonus, incentive and performance related payments;
- Post-employment benefits: Defined contribution plans;

# Notes to the Annual Financial Statements

**3. New standards and interpretations (continued)**

- Other long-term employee benefits;
- Termination benefits.

The standard states Post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

- Multi-employer plans;
- Defined benefit plans where the participating entities are under common control;
- State plans;
- Composite social security programmes;
- Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

- Recognition and measurement;
- Presentation;
- Disclosure;
- Accounting for the constructive obligation;
- Statement of financial position;
- Asset recognition ceiling;
- Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;
- Statement of financial performance.

The standard prescribes recognition and measurement for:

- Present value of defined benefit obligations and current service cost:
  - Actuarial valuation method;
  - Attributing benefits to periods of service;
  - Actuarial assumptions;
  - Actuarial assumptions: Discount rate;
  - Actuarial assumptions: Salaries, benefits and medical costs;
  - Actuarial gains and losses;
  - Past service cost.
- Plan assets:
  - Fair value of plan assets;
  - Reimbursements;
  - Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements.

**GRAP 104: Financial Instruments**

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one municipality and a financial liability or residual interest in another municipality. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle a municipality to a portion of another municipality's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, a municipality considers the substance of the contract and not just the legal form.

# Notes to the Annual Financial Statements

### 3. New standards and interpretations (continued)

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where a municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another municipality on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. An municipality measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

- Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. A municipality is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.
- Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, a municipality can however designate such an instrument to be measured at fair value.

A municipality can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once a municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

A municipality derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, a municipality has transferred control of the asset to another municipality.

A municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where a municipality modifies the term of an existing financial liability, it is also treated as the extinguishment of an

## Notes to the Annual Financial Statements

**3. New standards and interpretations (continued)**
existing liability and the recognition of a new liability.

A municipality cannot offset financial assets and financial liabilities in the stalement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for a municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that a municipality is exposed to as a result of its annual financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. A municipality is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 July 2011.

It is unlikely that the amendment will have a material impact on the municipality's annual financial statements.

## Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

### 4. Investment property

| | 2010 | | | 2009 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation | Carrying value | Cost / Valuation | Accumulated depreciation | Carrying value |
| Investment property | 285 707 001 | - | 285 707 001 | 299 793 001 | - | 299 793 001 |

**Reconciliation of investment property - 2010**

| | Opening balance | Transfers | Total |
|---|---|---|---|
| Investment property | 299 793 001 | (14 086 000) | 285 707 001 |

**Reconciliation of investment property - 2009**

| | Opening balance | Total |
|---|---|---|
| Investment property | 299 793 001 | 299 793 001 |

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

**Transitional provisions**

**Investment property recognised at provisional amounts**

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note 2, certain investment property with a carrying value of R285 707 001 (2009: R 299 793 001) was recognised at provisional amounts.

### 5. Property, plant and equipment

| | 2010 | | | 2009 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated depreciation | Carrying value | Cost / Valuation | Accumulated depreciation | Carrying value |
| Land | 18 794 602 | - | 18 794 602 | 18 794 602 | - | 18 794 602 |
| Infrastructure | 380 819 800 | (199 755 041) | 181 064 759 | 362 712 190 | (180 622 826) | 182 089 364 |
| Community | 53 497 811 | (11 256 906) | 42 240 905 | 48 520 093 | (9 545 854) | 38 974 239 |
| Other property, plant and equipment | 98 612 321 | (59 765 314) | 38 847 007 | 94 096 678 | (53 490 413) | 40 606 265 |
| Capital work in progress | 12 664 631 | - | 12 664 631 | - | - | - |
| **Total** | **564 389 165** | **(270 777 261)** | **293 611 904** | **524 123 563** | **(243 659 093)** | **280 464 470** |

**Reconciliation of property, plant and equipment - 2010**

| | Opening balance | Additions | Disposals | Depreciation | Total |
|---|---|---|---|---|---|
| Land | 18 794 602 | - | - | - | 18 794 602 |
| Infrastructure | 182 089 364 | 18 107 610 | - | (19 132 215) | 181 064 759 |
| Community | 38 974 239 | 4 977 718 | - | (1 711 052) | 42 240 905 |
| Other property, plant and equipment | 40 606 265 | 4 554 278 | (14 380) | (6 299 156) | 38 847 007 |
| Capital work in progress | - | 12 664 631 | - | - | 12 664 631 |
| | **280 464 470** | **40 304 237** | **(14 380)** | **(27 142 423)** | **293 611 904** |

### 5. Property, plant and equipment (continued)

**Reconciliation of property, plant and equipment - 2009**

| | Opening balance | Additions | Disposals | Other changes, movements | Depreciation | Impairment loss | Total |
|---|---|---|---|---|---|---|---|
| Land | 9 907 602 | 8 887 000 | - | - | - | - | 18 794 60 |
| Infrastructure | 175 463 181 | 22 892 417 | - | 787 368 | (17 053 602) | - | 182 089 36 |
| Community | 19 044 284 | 21 001 961 | - | (1) | (1 072 005) | - | 38 974 23 |
| Other property, plant and equipment | 35 330 907 | 12 386 375 | (651 103) | (787 366) | (5 883 458) | 210 910 | 40 606 26 |
| | **239 745 974** | **65 167 753** | **(651 103)** | **1** | **(24 009 065)** | **210 910** | **280 464 47** |

**Transitional provisions**

**Property, plant and equipment recognised at provisional amounts**

In accordance with the transitional provisions as per Directive 4 of the GRAP Reporting Framework, as disclosed in note1.4, certain property, plant and equipment with a carrying value of R284 386- (2009: R184 051-) were recognised at provisional amounts.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

### 6. Intangible assets

| | 2010 | | | 2009 | | |
|---|---|---|---|---|---|---|
| | Cost / Valuation | Accumulated amortisation | Carrying value | Cost / Valuation | Accumulated amortisation | Carrying value |
| Computer software, other | 4 246 504 | (3 120 431) | 1 126 073 | 3 526 623 | (2 827 287) | 699 336 |

**Reconciliation of intangible assets - 2010**

| | Opening balance | Additions | Transfers | Amortisation | Total |
|---|---|---|---|---|---|
| Computer software, other | 699 336 | 719 881 | 1 | (293 145) | 1 126 073 |

**Reconciliation of intangible assets - 2009**

| | Opening balance | Additions | Amortisation | Total |
|---|---|---|---|---|
| Computer software, other | 72 836 | 803 181 | (176 681) | 699 336 |

### 7. Other financial assets

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

There were no gains or losses realised on the disposal of held to maturity financial assets in 2010 and 2009, as all the financial assets were disposed of at their redemption date.

For debt securities classified as at fair value through surplus or deficit, the maximum exposure to credit risk at the reporting date is the carrying amount.

### 8. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

## 8. Financial assets by category (continued)

**2010**

| | Loans and receivables | Available-for-sale | Total |
|---|---|---|---|
| Consumer Debtors | 29 400 487 | - | 29 400 487 |
| Other receivables from exchange transactions | 5 544 760 | - | 5 544 760 |
| Vat receivable | 12 566 703 | - | 12 566 703 |
| Cash and cash equivalents | - | 26 958 088 | 26 958 088 |
| | **47 511 950** | **26 958 088** | **74 470 038** |

**2009**

| | Loans and receivables | Available-for-sale | Total |
|---|---|---|---|
| Consumer Debtors | 32 930 650 | - | 32 930 650 |
| Other receivables from exchange transactions | 7 253 057 | - | 7 253 057 |
| Vat receivable | 5 560 924 | - | 5 560 924 |
| Cash and cash equivalents | - | 39 181 936 | 39 181 936 |
| | **45 744 631** | **39 181 936** | **84 926 567** |

## 9. Retirement benefits

**Post-Retirement Medical Aid Plan**

Lesedi operates on 4 accredited medical aid schemes, namely Hosmed, Key Health, Bonitas and LA Health. Pensioners continue on the option they belonged to on the day of their retirement.

## 10. Inventories

| | | |
|---|---|---|
| Consumable stores | 3 658 697 | 4 470 352 |
| Water | 108 492 | 116 045 |
| Unsold Properties Held for Resale | 14 086 000 | - |
| | **17 853 189** | **4 586 397** |

## 11. Other receivables from exchange transactions

| | | |
|---|---|---|
| Employee costs in advance | - | 2 922 |
| Deposits | 108 889 | 108 889 |
| Sundry debtors | 2 032 966 | 1 176 589 |
| Insurance debtor | - | 125 886 |
| Housing debtors | 3 402 905 | 3 402 905 |
| Prepaid expenses | - | 7 685 |
| Interest receivables | - | 337 085 |
| Grant claims receivable | - | 2 091 096 |
| | **5 544 760** | **7 253 057** |

## 12. VAT receivable

| | | |
|---|---|---|
| VAT | 12 566 703 | 5 560 924 |

## 13. Consumer debtors

| | | |
|---|---|---|
| **Gross balances** | | |
| Rates | 24 024 856 | 24 006 107 |

## Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|
| **13. Consumer debtors (continued)** | | |
| Electricity | 34 307 576 | 18 107 831 |
| Water | 31 725 278 | 27 025 914 |
| Sewerage | 14 678 378 | 12 641 646 |
| Refuse | 23 962 527 | 20 141 908 |
| VAT | 12 029 519 | - |
| Other | 15 793 910 | 23 397 069 |
| | **156 522 044** | **125 320 475** |
| **Less: Provision for debt impairment** | | |
| Rates | (21 182 944) | (16 828 183) |
| Electricity | (30 249 307) | (15 234 356) |
| Water | (27 972 479) | (17 598 284) |
| Sewerage | (12 942 065) | (8 898 771) |
| Refuse | (21 127 988) | (14 101 092) |
| Other | (13 646 774) | (19 729 139) |
| | **(127 121 557)** | **(92 389 825)** |
| **Net balance** | | |
| Rates | 2 841 912 | 7 177 924 |
| Electricity | 4 058 269 | 2 873 475 |
| Water | 3 752 799 | 9 427 630 |
| Sewerage | 1 736 313 | 3 742 875 |
| Refuse | 2 834 539 | 6 040 816 |
| VAT | 12 029 519 | - |
| Other | 2 147 136 | 3 667 930 |
| | **29 400 487** | **32 930 650** |
| **Rates** | | |
| Current (0 -30 days) | 2 841 912 | 1 402 687 |
| 31 - 60 days | - | 573 584 |
| 61 - 90 days | - | 291 571 |
| 91 - 120 days | - | 69 298 |
| 121 - 365 days | - | 243 069 |
| > 365 days | - | 4 597 715 |
| | **2 841 912** | **7 177 924** |
| **Electricity** | | |
| Current (0 -30 days) | 4 058 269 | 5 305 834 |
| 31 - 60 days | - | 1 137 684 |
| 61 - 90 days | - | 454 250 |
| 91 - 120 days | - | 85 111 |
| 121 - 365 days | - | 298 536 |
| > 365 days | - | (4 407 940) |
| | **4 058 269** | **2 873 475** |
| **Water** | | |
| Current (0 -30 days) | 3 122 404 | 2 480 356 |
| 31 - 60 days | 630 395 | 994 970 |
| 61 - 90 days | - | 514 701 |
| 91 - 120 days | - | 148 605 |
| 121 - 365 days | - | 521 246 |
| > 365 days | - | 4 767 752 |
| | **3 752 799** | **9 427 630** |

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

### 13. Consumer debtors (continued)

| | | |
|---|---|---|
| **Sewerage** | | |
| Current (0 -30 days) | 1 553 668 | 696 300 |
| 31 - 60 days | 182 645 | 350 035 |
| 61 - 90 days | - | 188 487 |
| 91 - 120 days | - | 47 791 |
| 121 - 365 days | - | 167 632 |
| > 365 days | - | 2 292 630 |
| | **1 736 313** | **3 742 875** |
| **Refuse** | | |
| Current (0 -30 days) | 1 602 165 | 928 792 |
| 31 - 60 days | 1 232 374 | 552 717 |
| 61 - 90 days | - | 309 246 |
| 91 - 120 days | - | 80 587 |
| 121 - 365 days | - | 282 666 |
| > 365 days | - | 3 886 808 |
| | **2 834 539** | **6 040 816** |
| **VAT** | | |
| Current (0 -30 days) | 12 029 519 | - |
| **Other** | | |
| Current (0 -30 days) | 1 227 726 | - |
| 31 - 60 days | 919 410 | - |
| 91 - 120 days | - | 1 428 829 |
| 121 - 365 days | - | 2 239 101 |
| | **2 147 136** | **3 667 930** |
| **Reconciliation of debt impairment provision** | | |
| Balance at beginning of the year | (92 389 825) | (80 469 841) |
| Contributions to provision | (40 086 922) | (20 257 350) |
| Debt impairment written off against provision | 5 355 190 | 8 337 366 |
| | **(127 121 557)** | **(92 389 825)** |

### 14. Cash and cash equivalents

Cash and cash equivalents consist of:

| | | |
|---|---|---|
| Cash on hand | 2 335 | 2 335 |
| Bank balances | 11 955 753 | 11 957 021 |
| Short-term deposits | 15 000 000 | 26 000 000 |
| Other cash and cash equivalents | - | 1 222 580 |
| | **26 958 088** | **39 181 936** |

**The municipality had the following bank accounts**

| Account number / description | Bank statement balances | | | Cash book balances | | |
|---|---|---|---|---|---|---|
| | 30 June 2010 | 30 June 2009 | 30 June 2008 | 30 June 2010 | 30 June 2009 | 30 June 2008 |
| ABSA BANK - Cheque Account | 11 955 753 | 11 957 021 | 21 070 848 | 5 332 282 | (3 707 044) | 5 957 444 |

### 15. Other financial liabilities

| Figures in Rand | 2010 | 2009 |
|---|---|---|
| **15. Other financial liabilities (continued)** | | |
| **At fair value through surplus or deficit** | | |
| Development Bank of South Africa | 54 159 306 | 49 340 066 |
| Interest rates for the loans varies between 5.00% and 14.24%, and loans are repayable bi-monthly instalments of between R5,491 and R1,377,105. The terms of the loans range between 10 and 20 years. | | |
| | 54 159 306 | 49 340 066 |
| | - | - |
| **Non-current liabilities** | | |
| Fair value through surplus or deficit | 49 366 600 | 45 189 098 |
| **Current liabilities** | | |
| Fair value through surplus or deficit | 4 792 706 | 4 150 968 |
| | 49 366 600 | 45 189 098 |
| | 4 792 706 | 4 150 968 |
| | **54 159 306** | **49 340 066** |

**16. Unspent conditional grants and receipts**

**Unspent conditional grants and receipts comprise of:**

| | | |
|---|---|---|
| **Unspent conditional grants and receipts** | | |
| Municipal infrastructure grants | 14 540 137 | 4 939 709 |
| Municipal systems improvement grants | - | 73 142 |
| District grants | 177 | 48 465 |
| Finance management grants | 505 720 | - |
| Provincial grants | 3 848 844 | 11 021 819 |
| Other | 29 607 | 127 103 |
| | **18 924 485** | **16 210 238** |

**Movement during the year**

| | | |
|---|---|---|
| Balance at the beginning of the year | 16 210 238 | 24 350 554 |
| Additions during the year | 73 982 201 | 76 841 439 |
| Income recognition during the year | (71 267 954) | (84 981 755) |
| | **18 924 485** | **16 210 238** |

The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the municipality has directly benefited; and

Unfulfilled conditions and other contingencies attaching to government assistance have been recognised. The grouping of current balances and comparatives have been restated to comply with the National Budget Regulation format.

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

## 17. Provisions

**Reconciliation of provisions - 2010**

| | Opening Balance | Additions | Utilised during the year | Total |
|---|---|---|---|---|
| Environmental rehabilitation: Open landfill sites | 802 760 | 459 222 | - | 1 261 982 |
| Leave pay | 3 991 077 | 1 446 256 | (725 586) | 4 711 747 |
| | **4 793 837** | **1 905 478** | **(725 586)** | **5 973 729** |

**Reconciliation of provisions - 2009**

| | Opening Balance | Additions | Utilised during the year | Reversed during the year | Total |
|---|---|---|---|---|---|
| Environmental rehabilitation: Open landfill sites | 883 806 | 802 760 | - | (883 806) | 802 760 |
| Leave pay | 3 295 794 | 1 058 483 | (363 200) | - | 3 991 077 |
| | **4 179 600** | **1 861 243** | **(363 200)** | **(883 806)** | **4 793 837** |

| | | |
|---|---|---|
| Non-current liabilities | 1 261 982 | 802 760 |
| Current liabilities | 4 711 747 | 3 991 077 |
| | **5 973 729** | **4 793 837** |

## 18. Trade and other payables from exchange transactions

| | | |
|---|---|---|
| Trade payables | 21 637 058 | 19 659 862 |
| Payments received in advance - contract in process | 7 694 117 | 2 751 552 |
| Retentions | 4 916 063 | 2 822 669 |
| Sundry creditors | 1 098 506 | 1 106 136 |
| Bank deposits not yet receipted | - | 515 512 |
| Other payables | 146 795 | 115 527 |
| Audit fees | 85 392 | 981 263 |
| Interest on DBSA | 374 926 | 470 029 |
| | **35 952 857** | **28 422 550** |

## 19. Consumer deposits

| | | |
|---|---|---|
| Consumer deposits - Elec, water & refuse | 6 168 838 | 5 785 330 |

Guarantees held in lieu of Electricity and Water Deposits R 517,756 (2009: R 517,756).

## 20. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

**2010**

| | Financial liabilities at amortised cost | Total |
|---|---|---|
| Other financial liabilities | 54 159 306 | 54 159 306 |
| Trade and other payables | 35 952 857 | 35 952 857 |
| Unspent conditional grants and receipts | 18 924 485 | 18 924 485 |
| Consumer deposits | 6 168 838 | 6 168 838 |
| | **115 205 486** | **115 205 486** |

## Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

**20. Financial liabilities by category (continued)**

**2009**

| | Financial liabilities at amortised cost | Total |
|---|---|---|
| Other financial liabilities | 49 340 066 | 49 340 066 |
| Trade and other payables | 28 422 550 | 28 422 550 |
| Unspent conditional grants and receipts | 16 210 238 | 16 210 238 |
| Consumer deposits | 5 785 330 | 5 785 330 |
| | **99 758 184** | **99 758 184** |

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

## 21. Revenue

| | | |
|---|---|---|
| Property rates | 29 284 647 | 27 245 369 |
| Service charges | 189 222 772 | 153 340 995 |
| Rental of facilities & equipment | 3 007 924 | 2 864 910 |
| Fines | 2 455 529 | 3 893 074 |
| Government grants & subsidies | 71 267 955 | 84 981 754 |
| | **295 238 827** | **272 326 102** |

**The amounts included in revenue arising from exchanges of goods or services are as follows:**

| | | |
|---|---|---|
| Service charges | 189 222 772 | 153 340 995 |
| Rental of facilities & equipment | 3 007 924 | 2 864 910 |
| | **192 230 696** | **156 205 905** |

**The amounts included in revenue arising from non-exchange transactions are as follows:**

| | | |
|---|---|---|
| Property rates | 29 284 647 | 27 245 369 |
| Fines | 2 455 529 | 3 893 074 |
| Government grants & subsidies | 71 267 955 | 84 981 754 |
| | **103 008 131** | **116 120 197** |

## 22. Property rates

**Rates received**

| | | |
|---|---|---|
| Municipal rates levied | 29 284 647 | 27 245 369 |

**Valuations**

| | | |
|---|---|---|
| Residential | 3 055 022 361 | 2 927 849 660 |
| Commercial | 428 404 901 | 450 049 741 |
| State | 227 859 101 | 191 593 000 |
| Municipal | 49 259 250 | 100 903 811 |
| Small holdings and farms | 654 892 573 | 688 038 894 |
| | **4 415 438 186** | **4 358 435 106** |

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2006. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

A general rate of R0.013 (2009: R0.012) is applied to property valuations to determine assessment rates. Rebates of 20% (2009: 20%) are granted to state property owners. Rebates of a minimum of R15,000 is deducted from all residential property valuations before applying the general rate.

Rates are levied on a monthly basis. Interest at 10% per annum (2009: 10%) and a collection fee of nil % (2009: nil %), is levied on rates outstanding two months after due date.

The new general valuation was implemented on 01 July 2010.

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

### 23. Service charges

| | | |
|---|---|---|
| Sale of electricity | 123 901 933 | 89 766 033 |
| Sale of water | 32 819 374 | 34 624 120 |
| Sewerage and sanitation charges | 12 610 936 | 11 589 901 |
| Refuse removal | 16 911 970 | 15 624 427 |
| Other service charges | 2 978 559 | 1 736 514 |
| | **189 222 772** | **153 340 995** |

### 24. Government grants and subsidies

| | | |
|---|---|---|
| Government grants | 108 555 | - |
| Municipal system infrastructure grants | 2 890 567 | 1 440 529 |
| Municipal infrastructure grants | 13 001 571 | 6 845 400 |
| Provincial government | 13 477 466 | 36 468 968 |
| Equitable share | 38 295 501 | 30 153 695 |
| Other grants and subsidies | 43 344 | 2 286 715 |
| Financial management grant | 161 855 | 1 762 096 |
| Provinicial health subsidies | 3 289 096 | 6 024 351 |
| | **71 267 955** | **84 981 754** |

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

## 25. General expenses

| | | |
|---|---|---|
| Advertising | 316 936 | 440 056 |
| Assessment rates & municipal charges | 4 527 | 9 053 |
| Assets expensed | 55 263 | 49 150 |
| Auditors remuneration | 1 417 846 | 1 935 634 |
| Bank charges | 301 551 | 248 873 |
| Billing and meter reading charges | 923 459 | 663 335 |
| Cleaning | 35 218 | 110 340 |
| Community development | 1 128 256 | 1 226 515 |
| Consulting and professional fees | 8 262 559 | 4 411 650 |
| Consumables | 479 940 | 603 064 |
| Debt collection | - | 242 273 |
| Delivery expenses | 2 981 265 | 1 022 354 |
| Donations | 27 432 | 39 000 |
| Entertainment | 145 193 | 433 129 |
| Fines and penalties | 4 650 | - |
| Own Fleet | 6 905 247 | 8 513 521 |
| Hire | 264 795 | 442 351 |
| IT expenses | 2 590 142 | 1 824 103 |
| Insurance | 1 155 532 | 1 404 975 |
| Laboratory charges | 14 183 | 15 966 |
| Magazines, books and periodicals | 33 929 | 124 275 |
| Marketing | 319 | 28 287 |
| Medical expenses | 748 | 11 915 |
| Pest control | 93 098 | 78 237 |
| Pensioners: Medical aid costs | 603 006 | 788 274 |
| Postage and courier | 356 356 | 280 037 |
| Printing and stationery | 993 928 | 1 360 594 |
| Promotions and sponsorships | 43 310 | 23 285 |
| Property - repairs: furniture & equipment | 9 934 | 627 265 |
| Protective clothing | 636 466 | 388 876 |
| Refuse | 3 651 120 | 2 656 916 |
| Security (Guarding of municipal property) | 4 590 789 | 3 867 515 |
| Software expenses | 1 247 931 | 1 339 779 |
| Subscriptions and membership fees | 425 671 | 335 737 |
| Telephone and fax | 975 193 | 1 077 081 |
| Training | 572 764 | 1 921 469 |
| Travel - local | 237 095 | 680 784 |
| Grant Related Expenses | 3 290 357 | 1 260 135 |
| | **44 776 008** | **40 485 803** |

## 26. Operating (deficit) surplus

Operating (deficit) surplus for the year is stated after accounting for the following:

| | | |
|---|---|---|
| Loss on sale of property, plant and equipment | (14 379) | (228 298) |
| Depreciation on property, plant and equipment | 27 435 567 | 23 924 979 |
| Employee costs | 79 124 130 | 72 233 255 |

| Figures in Rand | 2010 | 2009 |
|---|---|---|

### 27. Employee related costs

| | | |
|---|---|---|
| Basic | 47 314 633 | 42 245 598 |
| Medical aid - company contributions | 3 156 955 | 3 171 450 |
| UIF | 451 993 | 424 785 |
| WCA | 466 521 | 391 561 |
| SDL | 505 491 | 476 214 |
| Other payroll levies | 20 509 | 18 961 |
| Leave pay provision charge | 720 670 | 1 137 380 |
| Pension costs | 9 327 225 | 8 617 945 |
| Leave pay | 725 586 | 396 191 |
| Travel, motor car, accommodation, subsistence and other allowances | 2 530 450 | 2 666 139 |
| Overtime payments | 2 523 101 | 2 294 227 |
| Acting allowances | 1 244 328 | 966 173 |
| Transport allowance (bus coupons) | 210 | 188 |
| Housing benefits and allowances | 416 087 | 551 318 |
| Cell phone allowance | 77 670 | 62 023 |
| Group insurance | 623 143 | 560 904 |
| Leave bonus | 3 528 661 | 3 176 797 |
| | **73 633 233** | **67 157 854** |

**Remuneration of the Municipal Manager**

| | | |
|---|---|---|
| Annual Remuneration | 570 068 | 518 280 |
| Car Allowance | 112 573 | 123 479 |
| Performance Bonuses | - | 72 460 |
| Contributions to UIF, Medical and Pension Funds | 171 219 | 156 241 |
| Performance 2007/08 | - | 66 010 |
| | **853 860** | **936 470** |

**Remuneration of the Chief Finance Officer**

| | | |
|---|---|---|
| Annual Remuneration | - | 401 988 |
| Car Allowance | - | 171 617 |
| Performance Bonuses | - | 50 520 |
| Contributions to UIF, Medical and Pension Funds | - | 110 395 |
| Performance 2006/07 | - | 10 158 |
| | **-** | **744 678** |

**Remuneration of Executive Managers**

**Management Support Services**

| | | |
|---|---|---|
| Annual Remuneration | 548 674 | 298 536 |
| Car Allowance | 181 709 | 99 566 |
| Performance Bonuses | - | 44 040 |
| Contributions to UIF, Medical and Pension Funds | 1 497 | 898 |
| Performance bonus 2006/07 | - | 19 167 |
| | **731 880** | **462 207** |

**Community Services**

| | | |
|---|---|---|
| Annual Remuneration | 484 696 | 451 854 |
| Car Allowance | 128 977 | 122 320 |
| Performance Bonuses | - | 44 040 |
| Contributions to UIF, Medical and Pension Funds | 118 207 | 109 825 |

## Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|
| **27. Employee related costs (continued)** | | |
| Performance Bonus | - | 45 000 |
| | **731 880** | **773 039** |
| **Service Delivery** | | |
| Annual Remuneration | 459 957 | 369 600 |
| Car Allowance | 139 745 | 138 595 |
| Performance Bonuses | - | 48 480 |
| Contributions to UIF, Medical and Pension Funds | 132 178 | 175 805 |
| Performance Bonus 2006/07 | - | 57 500 |
| | **731 880** | **789 980** |
| **Development Planning and Housing** | | |
| Annual Remuneration | 503 044 | 431 926 |
| Car Allowance | 99 718 | 87 304 |
| Contributions to UIF, Medical and Pension Funds | 129 118 | 107 770 |
| | **731 880** | **627 000** |

### 28. Remuneration of councillors

| | | |
|---|---|---|
| Executive Major | 625 643 | 550 703 |
| Speaker | 476 069 | 430 943 |
| Councillors | 4 389 185 | 4 093 755 |
| | **5 490 897** | **5 075 401** |

**In-kind benefits**

The Executive Mayor, Speaker and Mayoral Committee Members are full-time employees. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor has the use of a Council owned vehicle with two driver bodyguards for official duties.

### 29. Administrative expenditure

| | | |
|---|---|---|
| Administration and management fees - third party | 5 500 | 11 212 |

### 30. Debt impairment

| | | |
|---|---|---|
| Debt impairment | (1 727 604) | - |
| Contributions to debt impairment allowance | 31 104 146 | 11 994 985 |
| Debts impaired | 5 355 190 | 8 262 365 |
| | **34 731 732** | **20 257 350** |

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

## 31. Investment revenue

| | | |
|---|---|---|
| **Interest revenue** | | |
| Interest charged on trade and other receivables | 365 353 | 1 763 388 |
| Interest earned - external investments | 2 056 973 | 6 816 418 |
| | **2 422 326** | **8 579 806** |
| | - | - |
| | 2 422 326 | 8 579 806 |

The amount included in Investment revenue arising from non-exchange transactions amounted to R 2 422 326.

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

### 32. Fair value adjustments

### 33. Depreciation and amortisation

| | | |
|---|---|---|
| Property, plant and equipment | 27 435 567 | 23 924 979 |

### 34. Finance costs

| | | |
|---|---|---|
| Interest on convertible instruments | 4 639 961 | 4 532 316 |

Capitalisation rates used during the period were nil% on specific borrowings for capital projects and 9% being the weighted average cost of funds borrowed generally by the municipality.

### 35. Taxation

The municipality is exempt form income tax in terms of the Income Tax Act.

### 36. Auditors' remuneration

| | | |
|---|---|---|
| Fees | 1 417 846 | 1 935 634 |

### 37. Contracted services

| | | |
|---|---|---|
| Specialist Services | 988 484 | 870 981 |
| Other Contractors | 1 142 840 | 1 192 211 |
| | **2 131 324** | **2 063 192** |

### 38. Bulk purchases

| | | |
|---|---|---|
| Electricity | 81 502 100 | 60 330 890 |
| Water | 17 898 475 | 19 357 128 |
| Sewer purification | 4 511 698 | 3 356 326 |
| | **103 912 273** | **83 044 344** |

### 39. Cash generated from operations

| | | |
|---|---|---|
| (Deficit) surplus | (14 328 759) | 20 139 444 |
| **Adjustments for:** | | |
| Depreciation and amortisation | 27 435 567 | 23 924 979 |
| Gain on sale of assets and liabilities | 14 379 | 228 298 |
| Debt impairment | 34 731 732 | 20 257 350 |
| Movements in provisions | 1 179 892 | 614 237 |
| Revaluation of unsold properties held for sale | 14 086 000 | - |
| **Changes in working capital:** | | |
| Inventories | (13 266 792) | (445 953) |
| Other receivables from exchange transactions | 1 708 297 | (1 808 188) |
| Consumer debtors | (31 201 569) | (25 208 018) |
| Trade and other payables from exchange transactions | 7 530 307 | 702 953 |
| VAT | (7 005 779) | (1 484 492) |
| Unspent conditional grants and receipts | 2 714 247 | (8 140 315) |
| Consumer deposits | 383 508 | 277 788 |
| | **23 981 030** | **29 058 083** |

### 40. Other cash item 1

| Figures in Rand | 2010 | 2009 |
|---|---|---|

### 41. Commitments

**Authorised capital expenditure**

| **Already contracted for but not provided for** | | |
|---|---|---|
| • Property, plant and equipment | - | 7 836 676 |
| • Labokeng Construction Technologies | 247 067 | 5 768 945 |
| • Century Civils | 571 464 | - |
| • Mamohato Construction | 3 275 176 | - |
| | **4 093 707** | **13 605 621** |

The committed expenditure above relates to plant and equipment and will be financed by available bank facilities, retained surpluses, issue of debentures, mortgage facilities, existing cash resources, funds internally generated, etc.

**Operating leases - as lessee (expense)**

| **Minimum lease payments due** | | |
|---|---|---|
| - within one year | 451 373 | 155 662 |
| - in second to fifth year inclusive | 456 565 | 139 529 |
| | **907 938** | **295 191** |

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of three years. No contingent rent is payable.

### 42. Contingencies

No litigation is currently in the process against the municipality.

### 43. Related parties

| Relationships | |
|---|---|
| Close family member of key management | None |
| Joint venture of key management | None |
| Associate of close family member of key management | None |
| Members of key management | Directors remuneration- Refer to Employee Related Costs and Remuneration of Councillors notes. |

### 44. Comparative figures

Certain comparative figures have been reclassified.Assets within four subgroups of assets were reclassified after verification, the matching depreciation also changed with the asset. R442 000 was changed from Plant and equipment to Furniture and equipment. R823 thousand was changed from other buildings to Sewerage reticulation. R81 thousand adjustment due to the landfill site erroneously ended up in the Roads subgroup. R10 thousand erroneously went to General vehicles in place of Civic Buildings.

The effects of the reclassification are as follows:

| **Statement of financial position** | | |
|---|---|---|
| Infrastructure assets opening cost - now | - | 362 712 190 |
| Infrastructure assets opening cost - previously | - | 361 888 518 |
| Community assets opening cost - now | - | 48 520 093 |
| Community assets opening cost - previously | - | 48 509 968 |
| Other assets opening cost - now | - | 94 096 678 |
| Other assets opening cost - previously | - | 94 930 474 |
| Infrastructure assets opening accumulated depreciation - now | - | 180 622 826 |
| Infrastructure assets opening accumulated depreciation - previously | - | 180 586 522 |
| Community assets opening accumulated depreciation - now | - | 9 545 854 |

| Figures in Rand | 2010 | 2009 |
|---|---|---|

**44. Comparative figures (continued)**

| | | |
|---|---|---|
| Community assets opening accumulated depreciation - previously | - | 9 535 728 |
| Other assets opening accumulated depreciation - now | - | 53 490 413 |
| Other assets opening accumulated depreciation - previously | - | 53 536 843 |

**45. Risk management**

**Liquidity risk**

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and borrowing facilities are monitored.

**Interest rate risk**

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one institution.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the council. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Financial assets exposed to credit risk at year end were as follows:

| Financial instrument | 2010 | 2009 |
|---|---|---|
| ABSA-call account | 9 000 000 | 8 000 000 |
| INVESTEC Bank | 6 000 000 | 18 000 000 |
| ABSA - current account | 5 332 282 | 11 957 021 |

**46. Going concern**

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

**47. Events after the reporting date**

No reportable events occurred after the reporting date which might have an influence on these financial statements.

**48. Irregular expenditure**

| | | |
|---|---|---|
| Add: Irregular Expenditure - current year | 16 108 | 53 159 |
| Less: Amounts condoned | - | (53 159) |
| | **16 108** | **-** |

**Details of irregular expenditure – current year**

## Notes to the Annual Financial Statements

| Figures in Rand | | 2010 | 2009 |
|---|---|---|---|
| **48. Irregular expenditure (continued)** | | | |
| Salary officials processed salary adjustments irregularly. | Disciplinary steps are currently at the hearing stage and recovery is expected from the employees who received the incorrect payments. | | 16 108 |

### 49. In-kind donations and assistance

The Municipality received the following in-kind donations and assistance:

- DBSA Development Fund Siyenza Manje deployment of a suitably qualified accountant to enhance financial controls.

### 50. Additional disclosure in terms of Municipal Finance Management Act

**Audit fees**

| | | |
|---|---|---|
| Amount paid - current year | 1 417 846 | 1 935 634 |

**PAYE and UIF**

| | | |
|---|---|---|
| Amount paid - current year | 7 257 910 | 6 575 364 |

**Pension and Medical Aid Deductions**

| | | |
|---|---|---|
| Amount paid - current year | 12 484 180 | 11 789 395 |

**VAT**

| | | |
|---|---|---|
| VAT receivable | 12 566 703 | 5 560 924 |

VAT output payables and VAT input receivables are shown in note12 and 13.

All VAT returns have been submitted by the due date throughout the year.

### 51. Utilisation of Long-term liabilities reconciliation

| | | |
|---|---|---|
| Long-term liabilities raised - Note 15 | 54 159 306 | 49 340 066 |

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

### 52. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the adjudication committee and council, and additionally, includes a note to the annual financial statements.

Provincial grant for library upgrade was procured during the financial year under review and the process followed in procuring those goods deviated from the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the Municipal Manager as Chairperson of the evaluation committee. Additionally it was noted in council papers, who considered them and subsequently approved the deviation from the normal supply chain management regulations.

### 53. Unaccounted water and electricity

# Notes to the Annual Financial Statements

| Figures in Rand | 2010 | 2009 |
|---|---|---|

**53. Unaccounted water and electricity (continued)**

ELECTRICITY

| Year | Units Purchased | Units Sold | Loss in Distribution |
|---|---|---|---|
| 2005/2006 | 184051185 | 164317843 | 10.72% |
| 2006/2007 | 212301802 | 189828817 | 10.59% |
| 2007/2008 | 223817061 | 192100223 | 14.17% |
| 2008/2009 | 229180514 | 201180324 | 12.22% |
| 2009/2010 | 235566237 | 206899525 | 12.17% |

WATER

| Year | Units Purchased | Units Sold | Loss in Distribution |
|---|---|---|---|
| 2005/2006 | 4785182 | 4093141 | 14.46% |
| 2006/2007 | 5290503 | 4603050 | 12.99% |
| 2007/2008 | 5139501 | 4180040 | 18.67% |
| 2008/2009 | 5829350 | 5200000 | 10.80% |
| 2009/2010 | 5494897 | 5040515 | 8.27% |

## Notes to the Annual Financial Statements

Figures in Rand

### 54. Statement of comparative and actual information

**2010**

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Virement (i.t.o.council approved) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|
| **Financial Performance** | | | | | | | | | |
| Property rates | 31 481 454 | 31 481 454 | | 31 481 454 | 29 284 647 | | 2 196 807 | 93 % | 93 % |
| Service charges | 176 534 028 | 177 222 164 | | 177 222 164 | 189 222 772 | | (12 000 608) | 107 % | 107 % |
| Investment revenue | 15 347 077 | 10 289 514 | | 10 289 514 | 2 422 326 | | 7 867 188 | 24 % | 16 % |
| Transfers recognised - operational | 65 566 596 | 64 108 883 | | 64 108 883 | 71 267 955 | | (7 159 072) | 111 % | 109 % |
| Other own revenue | 4 978 581 | 3 357 191 | | 3 357 191 | 6 184 352 | | (2 827 161) | 184 % | 124 % |
| **Total revenue (excluding capital transfers and contributions)** | **293 907 736** | **286 459 206** | | **286 459 206** | **298 382 052** | | **(11 922 846)** | **104 %** | **102 %** |
| Employee costs | (84 535 313) | (68 177 772) | - | (68 177 772) | (73 633 233) | - | 5 455 461 | 108 % | 87 % |
| Remuneration of councillors | (5 695 671) | (5 695 671) | - | (5 695 671) | (5 490 897) | - | (204 774) | 96 % | 96 % |
| Debt impairment | (4 466 887) | (4 466 887) | | (4 466 887) | (34 731 732) | - | 30 264 845 | 778 % | 778 % |
| Depreciation and asset impairment | (17 438 109) | (25 019 897) | | (25 019 897) | (27 435 567) | - | 2 415 670 | 110 % | 157 % |
| Finance charges | (3 368 119) | (4 209 557) | - | (4 209 557) | (4 639 961) | - | 430 404 | 110 % | 138 % |
| Materials and bulk purchases | (90 184 659) | (107 716 167) | - | (107 716 167) | (103 912 273) | - | (3 803 894) | 96 % | 115 % |
| Other expenditure | (88 167 386) | (70 959 824) | - | (70 959 824) | (62 867 148) | - | (8 092 676) | 89 % | 71 % |
| **Total expenditure** | **(293 856 144)** | **(286 245 775)** | **-** | **(286 245 775)** | **(312 710 811)** | **-** | **26 465 036** | **109 %** | **106 %** |
| Total revenue (excluding capital transfers and contributions) | 293 907 736 | 286 459 206 | - | 286 459 206 | 298 382 052 | - | (11 922 846) | 104 % | 102 % |
| Total expenditure | (293 856 144) | (286 245 775) | - | (286 245 775) | (312 710 811) | - | 26 465 036 | 109 % | 106 % |
| **Surplus/(Deficit)** | **51 592** | **213 431** | | **213 431** | **(14 328 759)** | | **14 542 190** | **(6 714)%** | **(27 773)%** |

## Notes to the Annual Financial Statements

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Virement (i.t.o.council approved) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|
| Surplus/(Deficit) | 51 592 | 213 431 | - | 213 431 | (14 328 759) | - | 14 542 190 | (6 714)% | (27 773)% |
| Surplus (Deficit) after capital transfers and contributions | 51 592 | 213 431 | - | 213 431 | (14 328 759) | - | 14 542 190 | (6 714)% | (27 773)% |
| **Surplus/(Deficit) for the year** | **51 592** | **213 431** | | **213 431** | **(14 328 759)** | | **14 542 190** | **(6 714)%** | **(27 773)%** |

## Notes to the Annual Financial Statements

Figures in Rand

| | Original budget | Budget adjustments (i.t.o. s28 and s31 of the MFMA) | Virement (i.t.o.council approved) | Final budget | Actual outcome | Unauthorised expenditure | Variance | Actual outcome as % of final budget | Actual outcome as % of original budget |
|---|---|---|---|---|---|---|---|---|---|
| **Capital expenditure and funds sources** | | | | | | | | | |
| Total capital expenditure | 53 621 600 | 54 625 197 | - | 54 625 197 | 40 304 237 | - | 14 320 960 | 74 % | 75 % |
| **Sources of capital funds** | | | | | | | | | |
| Transfers recognised - capital | 20 380 600 | 18 380 600 | | 18 380 600 | 19 746 498 | | (1 365 898) | 107 % | 97 % |
| Borrowing | 13 000 000 | 13 000 000 | | 13 000 000 | 8 724 278 | | 4 275 722 | 67 % | 67 % |
| Internally generated funds | 20 241 000 | 23 244 597 | | 23 244 597 | 12 553 171 | | 10 691 426 | 54 % | 62 % |
| **Total sources of capital funds** | **53 621 600** | **54 625 197** | | **54 625 197** | **41 023 947** | | **13 601 250** | **75 %** | **77 %** |
| **Cash flows** | | | | | | | | | |
| Net cash from (used) operating | 20 432 192 | 18 594 031 | | 18 594 031 | 23 981 030 | | (5 386 999) | 129 % | 117 % |
| Net cash from (used) investing | (53 621 600) | (54 625 197) | | (54 625 197) | (41 024 117) | | (13 601 080) | 75 % | 77 % |
| Net cash from (used) financing | 9 094 962 | 9 094 962 | | 9 094 962 | 4 819 240 | | 4 275 722 | 53 % | 53 % |
| **Cash/cash equivalents at the year end** | **(24 094 446)** | **(26 936 204)** | | **(26 936 204)** | **(12 223 847)** | | **(14 712 357)** | **45 %** | **51 %** |

The supplementary information presented does not form part of the annual financial statements and is unaudited

# Lesedi Local Municipality (GT423)
## Appendix A
June 2010

### Schedule of external loans as at 30 June 2010

| | Loan Number | Redeemable | Balance at 30 June 2009 Rand | Received during the period Rand | Redeemed written off during the period Rand | Balance at 30 June 2010 Rand | Carrying Value of Property, Plant & Equip Rand | Other Costs in accordance with the MFMA Rand |
|---|---|---|---|---|---|---|---|---|
| **Development Bank of South Africa** | | | | | | | | |
| R11 JP Jameson - 13.56% fixed | 12599/15400 | 20 Years | 72 579 | - | 10 982 | 61 597 | 72 579 | - |
| R12 Mun Off - 13.85% fixed | 100023 | 10 Years | 13 612 136 | - | 2 754 211 | 10 857 925 | 19 225 000 | 1 361 136 |
| R13 Rat Elec - 9.45% fixed | 102187 | 15 Years | 4 460 981 | - | 212 996 | 4 247 985 | 4 460 981 | - |
| R14 Electrical UpGrade - 9.59% fixed | 102986_1 | 20 Years | 17 615 303 | 2 261 115 | 484 606 | 19 391 812 | 17 615 308 | - |
| R15 Electrical UpGrade - 5.00% fixed | 102986_2 | 20 Years | 13 579 067 | - | 442 243 | 13 136 824 | 13 579 067 | - |
| R16 Vehicles - 11.87% fixed | | 12 Years | - | 2 888 000 | - | 2 888 000 | 2 888 000 | - |
| R17 Infrastructure - 6.75% fixed | | 20 Years | - | 3 352 106 | - | 3 352 106 | 3 352 106 | - |
| R18 Other - 14.24% fixed | | 20 Years | - | 223 057 | - | 223 057 | 223 057 | - |
| **Total external loans** | | | **49 340 066** | **8 724 278** | **3 905 038** | **54 159 306** | **61 416 098** | **1 361 136** |

# Appendix B

June 2010

## Analysis of property, plant and equipment as at 30 June 2010

| | Cost/Revaluation | | | | | | | Accumulated depreciation | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening Balance R'000 | Additions R'000 | Disposals R'000 | Transfers R'000 | Revaluations R'000 | Other changes, movements R'000 | Closing Balance R'000 | Opening Balance R'000 | Disposals R'000 | Transfers R'000 | Depreciation R'000 | Impairment loss R'000 | Closing Balance R'000 | Carrying value R'000 |
| **Land and buildings** | | | | | | | | | | | | | | |
| Land (Separate for AFS purposes) | 18 795 | - | - | - | - | - | 18 795 | - | - | - | - | - | - | 18 795 |
| | **18 795** | - | - | - | - | - | **18 795** | - | - | - | - | - | - | **18 795** |
| **Infrastructure** | | | | | | | | | | | | | | |
| Roads, Pavements & Bridges | 130 715 | 2 255 | - | - | - | - | **132 970** | (70 777) | - | - | (6 857) | - | **(77 634)** | 55 336 |
| Transmission & Reticulation - Electricity | 128 318 | 4 559 | - | - | - | - | **132 877** | (53 026) | - | - | (6 643) | - | **(59 869)** | 73 208 |
| Reticulation - Water | 43 884 | 9 490 | - | - | - | - | **53 374** | (24 498) | - | - | (2 242) | - | **(26 740)** | 26 634 |
| Reticulation - Sewerage | 58 371 | 292 | - | - | - | - | **58 663** | (32 087) | - | - | (3 159) | - | **(35 246)** | 23 417 |
| Work In Progress | - | 12 665 | - | - | - | - | **12 665** | - | - | - | - | - | - | 12 665 |
| Landfill site | 803 | 459 | - | - | - | - | **1 262** | - | - | - | (201) | - | **(201)** | 1 061 |
| Security Measures | 258 | 1 052 | - | - | - | - | **1 310** | (67) | - | - | (22) | - | **(89)** | 1 221 |
| Infrastructure on Agri Land | 363 | - | - | - | - | - | **363** | (168) | - | - | (8) | - | **(176)** | 187 |
| | **362 712** | **30 772** | - | - | - | - | **393 484** | **(180 623)** | - | - | **(19 132)** | - | **(199 755)** | **193 729** |
| **Community Assets** | | | | | | | | | | | | | | |
| Recreational facilities | 5 840 | 588 | - | - | - | - | **6 228** | (1 515) | - | - | (207) | - | **(1 722)** | 4 506 |
| Civic Buildings | 42 880 | 4 390 | - | - | - | - | **47 270** | (8 031) | - | - | (1 504) | - | **(9 535)** | 37 735 |
| | **48 520** | **4 978** | - | - | - | - | **53 498** | **(9 546)** | - | - | **(1 711)** | - | **(11 257)** | **42 241** |

## Lesedi Local Municipality (GT423)

## Appendix B
June 2010

### Analysis of property, plant and equipment as at 30 June 2010

| | Cost/Revaluation | | | | | | | Accumulated depreciation | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening Balance R'000 | Additions R'000 | Disposals R'000 | Transfers R'000 | Revaluations R'000 | Other changes, movements R'000 | Closing Balance R'000 | Opening Balance R'000 | Disposals R'000 | Transfers R'000 | Depreciation R'000 | Impairment loss R'000 | Closing Balance R'000 | Carrying value R'000 |
| **Heritage assets** | | | | | | | | | | | | | | |
| **Specialised vehicles** | | | | | | | | | | | | | | |
| **Other assets** | | | | | | | | | | | | | | |
| General vehicles | 19 325 | 637 | - | | - | - | 19 962 | (12 865) | - | - | (1 514) | - | (14 379) | 5 583 |
| Plant & equipment | 23 893 | 3 050 | - | - | - | - | 26 943 | (13 991) | - | - | (2 115) | - | (16 106) | 10 837 |
| Furniture & Fittings | 3 752 | 129 | - | - | | - | 3 881 | (2 960) | - | - | (291) | - | (3 251) | 630 |
| Office Equipment | 7 323 | 284 | (39) | - | - | - | 7 568 | (3 937) | 24 | - | (985) | - | (4 898) | 2 670 |
| Emergency Equipment | 609 | 307 | - | - | - | - | 916 | (286) | - | - | (58) | - | (344) | 572 |
| Other buildings | 38 884 | - | - | - | - | - | 38 884 | (19 359) | - | - | (1 296) | - | (20 655) | 18 229 |
| Bins and Containers | 311 | 147 | - | - | - | - | 458 | (92) | - | - | (40) | - | (132) | 326 |
| | **94 097** | **4 554** | **(39)** | **-** | **-** | **-** | **98 612** | **(53 490)** | **24** | **-** | **(6 299)** | **-** | **(59 765)** | **38 847** |
| **Total property plant and equipment** | | | | | | | | | | | | | | |
| Land and buildings | 18 795 | - | - | - | - | - | 18 795 | - | - | - | - | - | - | 18 795 |
| Infrastructure | 362 712 | 30 772 | - | - | - | - | 393 484 | (180 623) | - | - | (19 132) | - | (199 755) | 193 729 |
| Community Assets | 48 520 | 4 978 | - | - | - | - | 53 498 | (9 546) | - | - | (1 711) | - | (11 257) | 42 241 |
| Other assets | 94 097 | 4 554 | (39) | - | - | - | 98 612 | (53 490) | 24 | - | (6 299) | - | (59 765) | 38 847 |
| | **524 124** | **40 304** | **(39)** | **-** | **-** | **-** | **564 389** | **(243 659)** | **24** | **-** | **(27 142)** | **-** | **(270 777)** | **293 612** |
| **Agricultural/Biological assets** | | | | | | | | | | | | | | |
| **Total** | | | | | | | | | | | | | | |
| Land and buildings | 18 795 | - | | | | - | 18 795 | - | - | | - | - | - | 18 795 |
| Infrastructure | 362 712 | 30 772 | - | - | - | - | 393 484 | (180 623) | - | - | (19 132) | - | (199 755) | 193 729 |
| Community Assets | 48 520 | 4 978 | - | | - | - | 53 498 | (9 546) | - | - | (1 711) | - | (11 257) | 42 241 |
| Other assets | 94 097 | 4 554 | (39) | - | - | - | 98 612 | (53 490) | 24 | - | (6 299) | - | (59 765) | 38 847 |
| | **524 124** | **40 304** | **(39)** | **-** | **-** | **-** | **564 389** | **(243 659)** | **24** | **-** | **(27 142)** | **-** | **(270 777)** | **293 612** |

# Appendix C

June 2010

## Segmental analysis of property, plant and equipment as at 30 June 2010

| | Cost/Revaluation | | | | Accumulated Depreciation | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Opening Balance R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 | Opening Balance R'000 | Disposals R'000 | Depreciation R'000 | Closing Balance R'000 | Carrying value R'000 |
| **Municipality** | | | | | | | | | |
| Dept 1000-Community Services | 86 394 035 | 6 430 710 | (24 518) | **92 800 227** | (25 195 593) | 10 139 | (3 963 107) | **(29 148 561)** | 63 642 040 |
| Dept 2000-Council | 1 702 572 | - | - | **1 702 572** | (1 639 308) | - | (39 209) | **(1 678 517)** | 24 055 |
| Dept 3000-Development &\| planning | 23 749 071 | 210 531 | (14 116) | **23 945 486** | (9 261 262) | 14 116 | (664 032) | **(9 911 178)** | 14 034 308 |
| Dept 4000-Finance | 1 736 566 | 48 810 | - | **1 785 376** | (1 371 375) | - | (108 897) | **(1 480 272)** | 305 104 |
| Dept 5000-Legal & Corporate | 2 656 088 | 103 273 | - | **2 759 361** | (1 791 539) | - | (313 584) | **(2 105 123)** | 691 584 |
| Dept 6000-Municipal Manager | 85 360 | - | - | **85 360** | (69 330) | - | (8 782) | **(78 112)** | 7 248 |
| Dept 7000-Service Delivery | 407 799 869 | 33 510 742 | - | **441 310 611** | (204 330 686) | - | (22 044 811) | **(226 375 497)** | 202 242 764 |
| | **524 123 561** | **40 304 066** | **(38 634)** | **564 388 993** | **(246 486 380)** | **24 255** | **(27 435 567)** | **(273 897 692)** | **282 073 174** |

## Appendix D
June 2010

### Segmental Statement of Financial Performance for the year ended

| Prior Year | | | | Current Year | | |
|---|---|---|---|---|---|---|
| Actual Income Rand | Actual Expenditure Rand | Surplus /(Deficit) Rand | | Actual Income Rand | Actual Expenditure Rand | Surplus /(Deficit) Rand |
| | | | **Municipality** | | | |
| 28 539 414 | 10 789 398 | 17 750 016 | Executive & Council/Mayor and Council | 31 132 491 | 11 455 724 | 19 676 767 |
| 44 826 667 | 43 434 492 | 1 392 175 | Finance & Admin/Finance | 44 739 675 | 39 006 511 | 5 733 164 |
| 11 231 525 | 8 214 728 | 3 016 797 | Planning and Development/Economic Development/Plan | 3 158 508 | 7 469 263 | (4 310 755) |
| 30 220 077 | 6 096 707 | 24 123 370 | Health/Clinics | 10 146 963 | 5 185 291 | 4 961 672 |
| 2 386 031 | 6 802 984 | (4 416 953) | Comm. & Social/Libraries and archives | 3 837 296 | 7 896 707 | (4 059 411) |
| 4 061 606 | 10 973 357 | (6 911 751) | Public Safety/Police | 2 544 440 | 11 532 651 | (8 988 211) |
| 36 343 | 2 037 766 | (2 001 423) | Sport and Recreation | 1 827 751 | 2 477 058 | (649 307) |
| 142 769 | 7 273 829 | (7 131 060) | Environmental Protection/Pollution Control | - | 7 407 190 | (7 407 190) |
| 27 993 409 | 32 618 164 | (4 624 755) | Waste Water Management/Sewerage | 34 534 228 | 45 273 529 | (10 739 301) |
| 40 876 739 | 41 683 762 | (807 023) | Water/Water Distribution | 41 642 371 | 44 893 963 | (3 251 592) |
| 90 363 030 | 90 612 979 | (249 949) | Electricity /Electricity Distribution | 124 803 950 | 130 098 545 | (5 294 595) |
| **280 677 610** | **260 538 166** | **20 139 444** | | **298 367 673** | **312 696 432** | **(14 328 759)** |

## Appendix E(1)
June 2010

### Actual versus Budget(Revenue and Expenditure) for the year ended 30 June 2010

| | Current year 2010 Act. Bal. Rand | Current year 2010 Adjusted budget Rand | Variance Rand | Var | Explanation of Significant Variances greater than 10% versus Budget |
|---|---|---|---|---|---|
| Revenue | | | | | |
| Property rates | 29 284 647 | 31 481 454 | (2 196 807) | (7,0) | Budgeted income forgone estimate understated |
| Service charges | 189 222 772 | 177 222 164 | 12 000 608 | 6,8 | |
| Rental of facilities and equipment | 3 007 924 | 1 400 547 | 1 607 377 | 114,8 | Required conservative approach applied |
| Fines | 2 455 529 | 2 761 453 | (305 924) | (11,1) | Required conservative approach applied |
| Government grants & subsidies | 71 267 955 | 59 946 881 | 11 321 074 | 18,9 | Budget excludes roll overs |
| Recoveries | 720 899 | - | 720 899 | - | |
| Prior year budgeted income | - | 3 357 191 | (3 357 191) | (100,0) | Budget eror |
| Interest received - investment | 2 422 326 | 10 289 514 | (7 867 188) | (76,5) | Investment funds drawn down |
| | 298 382 052 | 286 459 204 | 11 922 848 | 4,2 | |
| Expenses | | | | | |
| Personnel | (73 633 233) | (68 177 772) | (5 455 461) | 8,0 | |
| Remuneration of councillors | (5 490 897) | (5 695 671) | 204 774 | (3,6) | |
| Administration | (5 500) | (2 293 537) | 2 288 037 | (99,8) | Major cost cutting to retain working capital. |
| Depreciation | (27 435 567) | (25 019 897) | (2 415 670) | 9,7 | |
| Finance costs | (4 639 961) | (4 209 557) | (430 404) | 10,2 | |
| Debt impairment | (34 731 732) | (4 466 887) | (30 264 845) | 677,5 | Major underprovision in budget. |
| Collection costs | (981 678) | (191 561) | (790 117) | 412,5 | More active collection adopted |
| Repairs and maintenance - General | (14 958 259) | (13 907 476) | (1 050 783) | 7,6 | |
| Bulk purchases | (103 912 273) | (107 716 167) | 3 803 894 | (3,5) | |
| Contracted Services | (2 131 324) | (1 133 892) | (997 432) | 88,0 | Required to ensure service delivery and underbudgeted. |
| General Expenses | (44 776 008) | (53 433 357) | 8 657 349 | (16,2) | |
| | (312 696 432) | (286 245 774) | (26 450 658) | 9,2 | Debt impairment. |
| Other revenue and costs | | | | | |
| Gain or loss on disposal of assets and liabilities | (14 379) | - | (14 379) | - | |
| | (14 379) | - | (14 379) | - | |
| Net surplus/ (deficit) for the year | (14 328 759) | 213 430 | (14 542 189) | 813,6) | |

**Lesedi Local Municipality (GT423)**
**Appendix E(2)**
June 2010

## Budget Analysis of Capital Expenditure as at 30 June 2010

| | Additions R'000 | Revised Budget R'000 | Variance R'000 | Variance % | Explanation of significant variances from budget |
|---|---|---|---|---|---|
| **Municipality** | | | | | |
| Finance & Admin/Finance | 71 | 72 | 1 | **1** | |
| Planning and Development/Economic Development/Plan | 211 | 1 626 | 1 415 | **87** | Expenses covered by Operational Grant |
| Health/Clinics | 3 227 | 3 804 | 577 | **15** | Projects compleled - Saving on project costs |
| Public Safety/Police | 977 | 1 120 | 143 | **13** | Savings due to quotations less than expected |
| Sport and Recreation | 2 573 | 2 715 | 142 | **5** | |
| Environmental Protection/Pollution Control | 139 | 150 | 11 | **7** | |
| Waste Water Management/Sewerage | 2 194 | 1 817 | (377) | **(21)** | Expenditure on dumpimg site - add to budget |
| Road Transport/Roads | 13 070 | 18 667 | 5 597 | **30** | Due to rainfall 3month behind schedule |
| Water/Water Distribution | 9 521 | 15 018 | 5 497 | **37** | Due non perofrmance contractor - new contr |
| Electricity /Electricity Distribution | 8 322 | 8 797 | 475 | **5** | |
| | **40 305** | **53 786** | **13 481** | **25** | |

Appendix F
Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003
June 2010

| Name of Grants | Name of organ of state or municipal entity | Quarterly Receipts | | | | | Quarterly Expenditure | | | | | Grants and Subsidies delayed / withheld | | | | | Reason for delay/withholding of funds | Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act | Reason for noncompliance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Jun | Sep | Dec | Mar | Jun | Jun | Sep | Dec | Mar | Jun | Jun | Sep | Dec | Mar | Jun | | Yes/ No | |
| Job Creation Centre Ext 23 | DPW | 295 | - | - | - | - | - | - | - | - | 223 | - | - | - | - | 72 | | No | |
| Swimming Pool | DPW | 36 | - | - | - | - | - | - | - | - | 24 | - | - | - | - | 12 | | Yes | |
| Extension of Clinic | DPLG | 153 | - | - | - | 19 | - | - | - | - | 92 | - | - | - | - | 80 | LCMC 290/07/2010 | | |
| Libary Vischkuil | LSAC | 2 000 | - | - | - | - | - | - | - | - | 1 797 | - | - | - | - | 203 | LCMC 292/07/2010 | | |
| Bulk Water supply: Obed Nkosi | MIG | - | - | - | - | 6 000 | - | - | - | - | 2 725 | - | - | - | - | 3 275 | LCMC 244/06/2010 | | |
| Reservoir Bulk Water Obed Nkosi | MIG | 7 016 | - | - | - | - | - | - | - | - | 5 389 | - | - | - | - | 1 627 | LCMC 244/06/2010 | | |
| Roads Lesedi Received for 10 - 11 | MIG | - | - | - | - | 6 000 | - | - | - | - | - | - | - | - | - | 6 000 | | Yes | |
| Roads Lesedi | MIG | - | - | - | - | 10 602 | - | - | - | - | 4 888 | - | - | - | - | 5 714 | LCMC 244/06/2010 | | |
| Early Childhood Development Centre | SIG | 883 | - | - | - | 2 252 | - | - | - | - | 3 135 | - | - | - | - | - | | Yes | |
| | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | |
| Prof fees Early Childhood Devel Centre | SIG | 563 | - | - | - | - | - | - | - | - | 563 | - | - | - | - | - | | Yes | |
| MSIG Activities | MSIG | - | - | - | - | 38 | - | - | - | - | 38 | - | - | - | - | - | | Yes | |
| FMG Activities | FMG | - | - | - | - | 33 | - | - | - | - | 33 | - | - | - | - | - | | Yes | |
| Infrastructure Informal Traders | VUNA | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | Yes | |
| Installation of SCM System | SDC | - | - | - | - | 750 | - | - | - | - | 720 | - | - | - | - | 30 | ONGOING 2010/11 | | |
| Devel Plan for Lesedi Water Services | DWAF | 505 | - | - | - | - | - | - | - | - | 505 | - | - | - | - | - | | Yes | |
| Ratanda house connections/Distribution | DPLG | 70 | - | - | - | - | - | - | - | - | 70 | - | - | - | - | - | | Yes | |
| Tokolohong & Kwa Zenzele | NER | 39 | - | - | - | - | - | - | - | - | 39 | - | - | - | - | - | | Yes | |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| People Housing Project | Housing | 5 | - | - | - | - | - | - | - | - | 5 | - | - | - | - | - | | Yes |
| DSC Network Kwa Zenzele | SDC | 38 | - | - | - | - | - | - | - | - | 38 | - | - | - | - | - | | Yes |
| GPG - VAT Conversion | DPLG | 70 | - | - | - | - | - | - | - | - | 70 | - | - | - | - | - | | Yes |
| 76 Gautrans Houses | Gautrans | 148 | - | - | - | - | - | - | - | - | 148 | - | - | - | - | - | | Yes |
| Libraries recapitalization | DSACR | 2 092 | - | - | - | - | - | - | - | - | 1 611 | - | - | - | - | 481 | LCMC 292/01/2010 | |
| Libraries Plan | DSACR | 33 | - | - | - | 349 | - | - | - | - | 295 | - | - | - | - | 87 | LCMC 292/07/2010 | |
| Appointment Agri Expert | D AGRI | 216 | - | - | - | 300 | - | - | - | - | 191 | - | - | - | - | 325 | ONGOING 2010/11 | |
| HIV/AIDS Grant | DPLG | 1 078 | - | - | - | - | - | - | - | - | 1 078 | - | - | - | - | - | | Yes |
| Funeral indigents | DPLG | 9 | - | - | - | - | - | - | - | - | 9 | - | - | - | - | - | | Yes |
| Clean Towns: Bontle Ke Botho | GDACE | 317 | - | - | - | - | - | - | - | - | 245 | - | - | - | - | 72 | LCMC 290/07/2010 | |
| Ward Participation | MSIG | 3 | - | - | - | 167 | - | - | - | - | 170 | - | - | - | - | - | | Yes |
| Fixed Asset Register | MSIG | - | - | - | - | 162 | - | - | - | - | 162 | - | - | - | - | - | | Yes |
| Library System | MSIG | - | - | - | - | 10 | - | - | - | - | 10 | - | - | - | - | - | | Yes |
| PRMS | MSIG | - | - | - | - | 55 | - | - | - | - | 55 | - | - | - | - | - | | Yes |
| Valuation Roll | MSIG | 70 | - | - | - | 303 | - | - | - | - | 373 | - | - | - | - | - | | Yes |
| Alien Plant Removal | SRM | 286 | - | - | - | 599 | - | - | - | - | 445 | - | - | - | - | 440 | ONGOING 2010/11 | |
| FMG Finance | FMG | - | - | - | - | 2 717 | - | - | - | - | 2 211 | - | - | - | - | 506 | ONGOING 2010/11 | |
| Taxi rank | SDC | 10 | - | - | - | 79 | - | - | - | - | 89 | - | - | - | - | - | | Yes |
| Vuna Awards - Debt Collection | Vuna | 19 | - | - | - | - | - | - | - | - | 19 | - | - | - | - | - | | Yes |
| Energy Saving Project | SDC | - | - | - | - | 150 | - | - | - | - | 150 | - | - | - | - | - | | Yes |
| Tokolong Agri Village | Housing | 157 | - | - | - | - | - | - | - | - | 157 | - | - | - | - | - | | Yes |
| Mayibuye Project | Housing | 99 | - | - | - | - | - | - | - | - | 99 | - | - | - | - | - | | Yes |
| MHS Claims Prior year | SDC | (510) | - | - | - | 510 | - | - | - | - | - | - | - | - | - | - | | Yes |
| MHS Claims | SDC | - | - | - | - | 2 046 | - | - | - | - | 2 292 | - | - | - | - | (246) | | Yes |
| PHC Claims prior year | SDC | (863) | - | - | - | 863 | - | - | - | - | - | - | - | - | - | - | | Yes |
| PHC Rensburg | SDC | - | - | - | - | 741 | - | - | - | - | 1 134 | - | - | - | - | (392) | | Yes |
| PHC Ratanda | SDC | - | - | - | - | 638 | - | - | - | - | 943 | - | - | - | - | (305) | | Yes |
| PHC Vischkuil | SDC | - | - | - | - | 3 | - | - | - | - | 7 | - | - | - | - | (4) | | Yes |
| PHC Jameson Park | SDC | - | - | - | - | 36 | - | - | - | - | 52 | - | - | - | - | (16) | | Yes |
| PHC Ext 7 | SDC | - | - | - | - | 359 | - | - | - | - | 570 | - | - | - | - | (211) | | Yes |
| PHC Ext 23 | SDC | - | - | - | - | 48 | - | - | - | - | 78 | - | - | - | - | (30) | | Yes |
| Install Venus system - programming | DBSA | 8 | - | - | - | - | - | - | - | - | 8 | - | - | - | - | - | | Yes |
| Install Venus system - training | DBSA | 17 | - | - | - | - | - | - | - | - | 17 | - | - | - | - | - | | Yes |
| Installation of Venus system | DBSA | (1 221) | - | - | - | 1 221 | - | - | - | - | - | - | - | - | - | - | | Yes |
| | | 13 641 | - | - | - | 37 050 | - | - | - | - | 32 972 | - | - | - | - | 17 720 | | |

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

# CHAPTER 5 - FUNCTIONAL SERVICE DELIVERY REPORTING

## TABLE OF CONTENTS


| Function | Sub-Function | Page |
|---|---|---|
| General Information | | |
| Executive and Council | | |
| Finance and Administration | Finance<br>Human Resources<br>Other Administration (Procurement) | |
| Planning and Development | Economic Development | |
| Health | Clinics<br>Ambulance | |
| Community and Social Services | All inclusive | |
| Housing | | |
| Public Safety | Police (Traffic) | |
| Waste Management | Solid Waste | |
| Waste Water Management | Sewerage | |
| Road Transport | Roads<br>Public Buses | |
| Water | Water Distribution | |
| Electricity | Electricity Distribution<br>Street Lighting | |

Function:

| | |
|---|---|
| **Function:** | **Executive and Council** |
| **Sub Function:** | **N/A** |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| Overview: | Includes all activities relating to the executive and council function of the municipality including costs associated with mayoral, councillor and committee expenses and governance. Note: remuneration of councillor information should appear in Chapter 4 on *Financial Statements and Related Financial Information.* | | |
| Description of the Activity: | The function of executive and council within the municipality is administered as follows and includes:<br>*Service Delivery:e.g services like provision of water, electricity, roads, buildings etc to the community.Community Safety and Security Services:traffic, emergency services, fire control, primary health care, environmental health services, sport, art and heritage. Financial Services: administration in the provision of water, electricity, refuse removal, rates and taxes.Development and Planning: building inspections, town planning and local economic development. Management Support Services: supports all the departments of the Council in their endeavour to to attain thier objectives. It provides archiving or records management, Human Resources Management, Corporate and Legal Services.*<br><br>The strategic objectives of this function are to:<br>*Provide access to quality, affordable and sustainable services. Embrace sound management practicesand a culture of accountability. Promote the Batho Pele principles and optimally utilize the natural resources at our disposal.*<br>The key issues for 2009/10 are:<br>*Professionally fulfil and sensitively address the needs of the whole community. Create a safe and healthy environment in which the various people of the community can co-exist. Empower the Human Resources component of the municipality and monitor and improve productivity. Furthermore, to facilitate growth and development and to encourage a commitment to excellence* | | |
| Analysis of the Function: | | | |
| 1 | Councillor detail: | | |
| | Total number of Councillors | *21* | |
| | Number of Councillors on Executive Committee | *5* | |
| 2 | Ward detail: | | |
| | Total number of Wards | *11* | |
| | Number of Ward Meetings | *12pa* | |
| 3 | Number and type of Council and Committee meetings: | | |
| | *Ordinary Mayoral Committee meetings and* | *36* | |
| | *Ordinary Council meetings* | *12* | |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | | | |

| | |
|---|---|
| **Function:** | **Finance and Administration** |
| **Sub Function:** | **Finance** |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| Overview: | Includes all activities relating to the finance function of the municipality. Note: grants information should appear in Chapter 4 on *Financial Statements and Related Financial Information.* | | |
| Description of the Activity: | The function of finance within the municipality is administered as follows and includes:<br>*- R280 million revenue generated during 2008/09 Financial Year vs R251 million budgeted for.*<br>*- Monthly and Quarterly financial reports submitted for the year under review*<br>*- Budget Revised in January & Draft Budget 2009/10 approved in March & Final Budget 2009/10 approved on 26 May2008.*<br>*-Assets Verfifcation completed.*<br>*- Creditors were paid within 30 days of recelptof Invoices.*<br>These services are not extended and do not take account of *income* which resides within the jurisdiction of *privincial* government. The municipality has a mandate to:<br>*Provide access to quality affordable sustainable services*<br>*Professionally fulfill and sensitively address the needs of the whole community*<br>**The strategic objectives of this function are to:**<br>*- Revenue: generate income for the Municipality to enable it to conduct its business in terms of service delivery*<br>*- Expenditure: finance the pursuit of the expenditure goals in the corporate service structure*<br>*- Assets: compile and maintain asset and inventory register to safeguard all Council's assets*<br><br>*- Accounting: provide financial information to Council for informed decision making and planning and to comply with generally accepted audit and accounting standards*<br>*Budget: compile a budget for the operations of Council for short, meduim and long term in pursuit of its purpose*<br>*Stores: maintain the inventory to support the Council's opreations*<br>*Supply Chain Management*<br><br>**The key issues for 2008/09 are:**<br>*1. The increase in Council's I ndigents Contribution*<br>*2. Implementation of MFMA.*<br>*3. Implementation of Supply Chain Management Regulations*<br>*4. Financial implications of Housing Scheme (I.e.Maintanance Cost, Bulk Purchases, etc.)* | | |
| Analysis of the Function: | | | |
| 1 | Debtor billings: number and value of monthly billings: | | *R (000s)* |
| | - Number and amount billed each month across debtors by function (eg: water, electricity etc)<br>Note: create a suitable table to reflect monthly billed and received (against billed) across debtors by function (eg: water, electricity etc) | | |
| 2 | Debtor collections: value of amount received and interest: | *R (000s)* | *R (000s)* |
| | - Value received from monthly billings each month and interest from the previous month across debtors by function (eg: water, electricity etc)<br>Note: create a suitable table to reflect amount received from that month's billings plus interest from the previous month across debtors by function | | |

| | |
|---|---|
| **Function:** | **Finance and Administration** |
| **Sub Function:** | **Finance** |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| 3 | Debtor analysis: amount outstanding over 30, 60, 90 and 120 plus days: | *R (000s)* | |
| | - Total debts outstanding over 30, 60, 90 and 120 plus days across debtors by function (eg: water, electricity etc)<br>Note: create a suitable table to reflect debts outstanding over 30, 60, 90 and 120 plus days across debtors by function | | |
| 4 | Write off of debts: number and value of debts written off:<br>- Total debts written off each month across debtors by function (eg: water, electricity etc)<br>Note: create a suitable table to reflect write offs each month across debtors by function | | *R (000s)* |
| 5 | Property rates (Residential):<br>- Number and value of properties rated<br>- Number and value of properties not rated<br>- Number and value of rate exemptions<br>- Rates collectible for the current year | | *R (000s)* |
| **Reporting Level** | **Detail** | **Total** | |
| 6 | Property rates (Commercial):<br>- Number and value of properties rated<br>- Number and value of properties not rated<br>- Number and value of rate exemptions<br>- Rates collectible for the current year | | *R (000s)* |
| 7 | Regional Service Council (RSC) levies:<br>- Number and value of returns<br>- Total Establishment levy<br>- Total Services levy<br>- Levies collected for the current year | | *R (000s)* |
| 8 | Property valuation:<br>- Year of last valuation<br>- Regularity of valuation | | |
| 9 | Indigent Policy:<br>- Quantity (number of households affected)<br>- Quantum (total value across municipality) | | |
| 10 | Creditor Payments: | *R (000s)* | |
| | Telkom<br>Eskom<br>Ekurhuleni Metropolitan Council<br>Reabeleng Business Enterprise cc<br>Randwater | | |
| | Note: create a suitable table to reflect the five largest creditors individually, with the amount outstanding over 30, 60, 90 and 120 plus days | | |
| 11 | Credit Rating:<br>Not Applicable<br>List here whether your Council has a credit rating, what it is, from whom it was provided and when it was last updated | *R (000s)* | |
| 12 | External Loans:<br>- Total loans received and paid during the year<br>Note: Create a suitable table to reflect the balance of each external loan at the beginning of the year, new loans raised during the year and loans repaid during the year as well as the balance at the end of the year. Interest rates payable on each loan, together with the date of repayment should be also disclosed in the table. | *R (000s)*<br>*4185132*<br>*Refer to AFS - Annexure A* | *R (000s)*<br>*3502342*<br>*Refer to AFS - Annexure A* |

| | |
|---|---|
| **Function:** | **Finance and Administration** |
| **Sub Function:** | **Finance** |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| 13 | Delayed and Default Payments:<br>Not Applicable<br>List here whether Council has delayed payment on any loan, statutory payments or any other default of a material nature<br><br>Note: This information need not be reported here if reported as notes to the accounts. | | |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| *Revenue* | *Revenue: generate income for the Municipality to enable it to conduct its business in terms of service delivery*<br>*Expenditure: finance the pursuit of the expenditure goals in the corporate structure* | 85% | 100% |
| Assets | *Assets: compile and maintain asset and inventory register to safeguard all Council's assets* | 95% | 100% |
| Accounting | *Accounting: provide financial information to Council for informed decision making and planning and to comply with generally accepted audit and accounting standards* | 100% | 100% |
| Budget | *Budget: compile a budget for the operations of Council for short, meduim and long term in pursuit of its purpose* | 100% | 100% |
| Supply Chain Management | *Stores: maintain the inventory to support the Council's operations. Ensure correct procedures are followed in the process of bids and quotations.* | 90% | 100% |

| | |
|---|---|
| **Function:** | **Finance and Administration** |
| **Sub Function:** | **Human Resources** |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| Overview: | Includes all activities relating to the human resource management function of the municipality including recruitment, selection and induction - also performance management systems, code of conduct detail and decision making systems. Note: Read in conjunction with Chapter 3 on *Human Resource Management*. | | |
| Description of the Activity: | The function of human resource management within the municipality is administered as follows and includes:<br><br>The functions of the HR Management is to ensure that a holistical HR Services as a strategic, operational and line function are fully operative through training, development, capacitation, provisioning, industrial and labour relations, organizational development/structuring, managing benefits, conditions of services, marketing of the HR functions as well as managing and marketing employee wellness,to ensure employee assistance and wellness programs are in place, to ensure health and safety in the workplace, ensure public awareness according to legislative requirements, and compliance to legislation, and furthermore to promote the effectiveness and efficiency of the municipality and to initiate and reconcile the aims of political, economic, social and technological policies of the council<br><br>The municipalty has a mandate to:<br>*Compile delegation of authority, review delegation of authority, establish a policy framework, within the policy framework approve staff establishment, compile job descriptions, attach posts to remuneration and other conditions of service, establish a performance management system, review staff establishment and remuneration, develop and adopt appropriate systems and procedures. Must also develop and adopt*<br>The strategic objectives of this function are to:<br>To advocate the transformation agenda of the council. To provide leadership ensuring synergy of workflow processes. To provide an advisory Human Resource service to all stakeholders. To act as custodians of compliance through sound labour and industrial relations. To champion the Batho Pele principles and values throughout the entire organization.To ensure proper organizational development and provisioning mechanisms and interventions are progressively implemented. To improve the quality of work life of employees through effective and efficient employee assistance and wellness. To create a safe and healthy working environment.To ensure proper control and management through standing work procesess, policies and process and | | |
| Analysis of the Function: | *ACCORDING TO EMPLOYMENT EQUITY REPORT* | | |
| | 1 Number and cost to employer of all municipal staff employed: | | *R (000s)* |
| | - Professional (Managerial/Specialist) | *68* | *16,997,700.00* |
| | - Field (Supervisory/Foremen) | *49* | *6,130,132.00* |
| | - Office (Clerical/Administrative) | *137* | *10,542,686.00* |
| | - Non-professional (blue collar, outside workforce) | *217* | *1,514,563.00* |
| | - Temporary Staff | *103* | *767,878.00* |
| | - Contract Staff | *16* | *767878* |
| | Note: total number to be calculated on full-time equivalent (FTE) basis, providing detail of race and gender according to the breakdown described above. Total cost to include total salary package | | |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | | | |

| | | | |
|---|---|---|---|
| Description of the Activity: | The function of procurement within the municipality is administered as follows and includes:<br>*To purchase goods and services of all kinds including specialised goods and equipmenrt*<br>*Ensure that transactions achieve the best value for money outcome for the Municipality*<br>*Proving suppliers with the oppoturnity to compete for business in an open transparent manner*<br>*Encouraging effective competition through procurement methods suited to market circumstances*<br>*Accountability and reporting*<br>**Petty Cash Purchases**: Range R1 to R1 999.00 - Lesedi Local Municipality does not have petty cash purchases. To accommodate purchases in this range one verbal or written quotation is needed. This range of purchase is delegated to managers.<br>**Purchases:** Range R2000.00 to R29 999.00 - This range of purchases is delegated to Executive Managers and CFO. Three written quotations are needed from suppliers on the municipal database. Price is the only criteria and the supplier with the lowest price is accepted<br>**Purchases:** R30 000.00 to R200 000.00 - These purchases are delegated to the Municipal Manager, Executive Managers and CFO. An advertisement for the request for quotations must be placed on all notice boards and the website of the municipality for seven days. The supplier who scores the highest procurement points and not the lowest price willl be accepted<br>**Purchases:** R200 000.00 and above - This range of procurement is delegated to the Bid Adjudication committee.Tenders are called for according to prescribed specifications. The procurement point system also applies.<br><br>The strategic objectives of this function are to:<br>*Remain focussed on core functions and objectives*<br>*Adopt procurement practices*<br>To manage the process of tenders, contracts and bid committees to ensure compliance with the SCM Policy.<br><br>The key issues for 2008/09 are:<br>*Review and Approval of the procurement policy with supply chain management policy from November2007* | | |
| Analysis of the Function: | | | |
| | 1 Details of tender / procurement activities:<br>- Total number of times that tender committee met during year<br>- Total number of tenders considered<br>- Total number of tenders approved<br>- Average time taken from tender advertisement to award of tender<br>Note: Figures should be aggregated over year across all municipal functions | <br>*20*<br>*58*<br>*43*<br>*21 Days* | |

| | | | |
|---|---|---|---|
| 2 | Details of tender committee:<br>*- Details of tender committee membership*<br>Note: List details of each member of the tender committee<br>Mr. PJ van den Heever MM - Chairperson<br>Mr. LP Lehana Executive Manager Management Support Services<br>Ms. AR Ngwenya CFO<br>Mr. HB Coetsee Executive Manager Engineering Services<br>Ms C Mokoena Executive Manager Community Services<br>Mr. B Majola Executive Manager Planning and Development | | |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | | | |
| *To manage the process of tenders, contracts and bid committees to ensure compliance with the SCM Policy.* | *Keep record of each winning tender and file with agenda from each bid committee that it went through. Keep register for all tenders, contracts and bid committees minutes.* | On going about 70% completed | Ongoing |
| *To enhance control and reporting in order to adhere to the act.* | *Conduct reporting on Supply Chain Management as required by the MFMA. Report the findings of investigations.* | 90% completed | Ongoing |
| *To conduct procurement through formal written quotation.* | *Request formal written quotation from registered suppliers. By receiving written request for goods or services from various Departments.* | Adherence by other departments | Ongoing |
| | | | |

| | |
|---|---|
| **Function:** | **Planning and Development** |
| **Sub Function:** | **Economic Development** |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| Overview: | The department is tasked with the responsibility to ensure that the much needed economic growth and employment opportunities in the area are created. so far a significant number of investments have been realized already, thus Transnet Liquid Bulk Terminal, Vopak Reatile, the Zone of Opportunity, Integrated Medical Facility, Coca cola Valpre Project and the Southern Gateway Logistic hub. | | |
| Description of the Activity: | The department also supports and manage agricultural projects to alleviate poverty and create employment opportunities. this has also been made successful by the continuous support that we receive from GDARD and a recent sponsorship by ACSA in partnership with Pathwe Green at Hlwanyela Agricultural Project. Furthermore, every year we set up the budget to support our local SMME,s by providing infrastructure for informal traders in the strategic areas. | | |
| | The function of economic planning / development within the municipality is administered as follows and includes: | | |
| | *All our projects are administered between the office of the Executive Manager and the Manager for Local Economic Development* | | |
| | The municipalty has a mandate to: | | |
| | *Our services extends to include tourism and marketing for the area and municipal services. As a local authority we are the most appropriate institution for economic intervention as it carries alongside it the accountability and legitimacy of a democratically elected body.* | | |
| | The strategic objectives of this function are to: | | |
| | *The LLM, including the local business in collaboration with the region, will strive to establish an economic growth rate in an economically stable environment, at least equal to the national growth rate, thereby creating job opportunities and uplifting the disadvantaged community, resulting in the improvement of quality of life of all it's residents* | | |
| | The key issues for 2009/10 are: | | |
| | *Economic growth and Development* | | |
| Analysis of the Function: | | | |
| 1 | Number and cost to employer of all economic development personnel: | | |
| | - Professional (Directors / Managers) | *3* | |
| | - Non-professional (Clerical / Administrative) | *2* | |
| | - Temporary | *0* | |
| | - Contract | *0* | |
| | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | | |
| 2 | Detail and cost of incentives for business investment: | | *R (000s)* |
| | *The LLM does not have a policy for incentive business investment* | | |
| | no incentives | | |
| 3 | Detail and cost of other urban renewal strategies: | | *R 171,000* |
| | *Nodes and Corridor Study* | | |
| | Note: list strategies by project, with total actual cost to municipality for year | | |
| 4 | Detail and cost of other rural development strategies: | | *R (000s)* |
| | *The LLM does not have a rural development strategy* | | |
| | Note: list strategies by project, with total actual cost to municipality for year | | |
| 5 | Number of people employed through job creation schemes: | | |
| | - Short-term employment | *34* | |
| | - Long-term employment | *32* | |
| | Note: total number to be calculated on full-time equivalent (FTE) basis, and should only be based on direct employment as a result of municipal initiatives | | |

| | | | |
|---|---|---|---|
| | 6 Number and cost to employer of all Building Inspectors employed: | | *R (000s)* |
| | - Number of Building Inspectors | *4* | |
| | - Temporary | *0* | |
| | - Contract | *0* | |
| | Note: total number to be calculated on a full-time equivalent (FTE) basis, total cost to include total salary package | | |
| | 6 Details of building plans: | | |
| | - Number of building plans approved | *659* | |
| | - Value of building plans approved | *R 441,306,000* | |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| | Note: Figures should be aggregated over year to include building plan approvals only | | |
| | 7 Type and number of grants and subsidies received: | | *R (000s)* |
| | *no grants and subsidies received* | | |
| | Note: total value of specific planning and development grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | | |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | *Removal of alien vegetation plant;* | Identified new areas to expand the project | 100% |
| | *Revival of Ratanda Pleasure Resort;* | ROD Received | |
| | *Provision of stalls for informal traders;* | 6 Stalls erected and allocated | 100% |
| | *Industrial Township Establishment;* | township registered and proclaimed | 100% |
| | *LED/Small farm development* | expansion of the projects | 100% |

| Function: | Health |
|---|---|
| Sub Function: | Clinics |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| Overview: | Includes all activities associated with the provision of health | | |
| Description of the Activity: | The function for the provision of community health clinics within the municipality is administered as follows and includes:<br>• *Anti and Post natal services*<br>• *HAST*<br>• *Manage and control outbreak of diseases*<br>• *Minor ailments*<br>• *Geriatric*<br>• *Rehabilitative services*<br>• *Counselling (VCT; PMTCT; TOP)*<br>• *Oral services*<br>• *Mental Health*<br>• *Reproductive Health*<br>• *IMCI*<br>* *Drug Dispensing*<br>* *Order and control drugs*<br>* *Admisitration and keeping of all records pertaining to patients, drugs etc.Conduct regular review, supervisory tool and in-depth inspections at all Local Authority* | | |
| | *The municipalty has a mandate to:*<br>*Render PHC Services on an agency basis on behalf of Gauteng Health Department to the community of Lesedi.MOA & MOU not signed yet.*<br>The strategic objectives of this function are to:<br>*To render a comprehensiv ePHC service to the community of Lesedi and to impove on the following:Immunization, Cervical cancer screening, Waiting time and to comply with National Norms and Standards.To fill current vacancies and to populate the approved Provincial organogram.Provincializatio of PHC services.*<br>The key issues for 2009/10 are:<br>*Fill vacancies, Populate approved Provincial organogram, improve service delivery by addressing waiting times, reduce out of stock drugs.Enter into a SLA with Gauteng Health Dept regarding the rendering of PHC at Local Level.* | | |
| Analysis of the Function: | | | |
| 1 | Number and cost to employer of all health personnel: | | *R (000s)* |
| | - Professional (Doctors/Specialists) | *0* | *0* |
| | - Professional (Nurses/Aides) | *6* | *1,381,266* |
| | - Para-professional (Clinic staff qualified) | *0* | *0* |
| | - Non-professional (Clinic staff unqualified) | *5* | *393,978* |
| | - Temporary | *1* | *18330* |
| | - Contract | *0* | *0* |
| | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | | |
| 2 | Number, cost of public, private clinics servicing population: | 8 | *R (000s)* |
| | - Public Clinics (owned by municipality) | *6* | *3,895,434* |
| | - Private Clinics (owned by private, fees based) Provincial clinics | *2* | |
| 3 | Total annual patient head count for service provided by the municipality: | | |
| | - 65 years and over | | |
| | - between 40 and 64 years | | |
| | - between 15 and 39 years | | |
| | - 14 years and under | | |
| | Note: if no age range available, place to other | 77059 | |

| | | | |
|---|---|---|---|
| 4 | Estimated backlog in number of and costs to build clinics: | | *R (000s)* |
| | | | |
| | Note: total number should appear in IDP, and cost in future budgeted capital works programme | | |
| 5 | Type and number of grants and subsidies received: Gauteng Health Department. | | *All claims not processed yet. 100% of the expenditure should be funded by Province* |
| | | | |
| | Note: total value of specific health clinic grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | | |
| 6 | Total operating cost of health (clinic) function: | | *R 5,689,008* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | | | |
| *1. Upgrade All Facilities2. Appoint additionl personnel.3. Improve on availability of drugs.4.Develop proper referral* | *1. Upgrading of of all clincs as follows:Extension 23 clinic was upgraded/extended.2. Appointment of personnel: Applications were submitted to Province-they are busy with shortlisting.3. Drug stock outs went down and did we improve on drug management by impelenting bin cards.4. Referal system: The system is in place but do we need to ensure that it is ipmpleneted at all clinics.5. Improve quality of care: Nursing personnel sent for training to ensure that they are* | Clinic upgrading completed. Drug management in place. Referral system in place. | Appointment of professional nurses to be completed by 20 October 2009. Training is on- |
| | | | |

| | |
|---|---|
| **Function:** | **Community and Social Services** |
| **Sub Function:** | **All inclusive** |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| Overview: | Includes all activities associated with the provision of community and social services | | |
| Description of the Activity: | The function of provision of various community and social services within the municipality is administered as follows and includes: | | |
| Analysis of the Function: | *<Provide statistical information on (as a minimum):>* | | |
| 1 | Nature and extent of facilities provided: | *no of facilities:* | *no of users:* |
| | - Library services | *7* | |
| | - Museums and art galleries | *1* | |
| | - Other community halls/facilities | *9* | |
| | - Cemetaries and crematoriums | *11* | |
| | - Child care (including creches etc) | *59* | |
| | - Aged care (including aged homes, home help) | *2* | |
| | - Schools | *16* | |
| | - Sporting facilities (specify) | *5* | |
| | - Parks | *0.7* | |
| | Note: the facilities figure should agree with the assets register | | |
| 2 | Number and cost to employer of all personnel associated with each community services function: | | *R(000s)* |
| | - Library services | | |
| | - Museums and art galleries | | |
| | - Other community halls/facilities | | |
| | - Cemetaries and crematoriums | | *798 495* |
| | - Child care | | |
| | - Aged care | | |
| | - Schools | | |
| | - Sporting facilities | | |
| | - Parks | | *4 162 511* |
| | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | | |
| 6 | Total operating cost of community and social services function | | *R (000s)* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | | | |

| | |
|---|---|
| **Function:** | **Public Safety** |
| **Sub Function:** | **Fire Service and Traffic** |

We are not a police service as indicated. We are a Traffic Service in terms of Law Enforcement.

| Reporting Level | Detail | Total | |
|---|---|---|---|
| Overview: | Includes Fire Services and Traffic Services | | |
| Description of the Activity: | The Fire and Traffic control functions of the municipality is administered as follows and include:<br>*Delivery of Traffic service to the community and to minimize disobedience by road users and enforce law and order and conducting of Fire, Rescue and HAZMAT Services to ensure the safety of the community.*<br>These services extend to include traffic, fire and rescue service but do not take account of emergency medical which resides within the jurisdiction of Provincial Government and Is rendererred by the Sedibeng District Municicplity. Licencing services is also with the Sedibeng District. The municipality has a mandate to:<br>*To render Fire, Traffic, Rescue and HAZMAT service, in lne with the National Road Traffic Act and Fire Brigade Act. Disaster Management Act and the Road Transportation Act.*<br>The strategic objectives of this function are to:<br>Train all schools in Lesedi area that has registered scholar partols.To maintain road traffic signs and ensure road markings are clearly visble throughout Lesedi L.M. Erect traffic signs and do road markings for pedestrian crossings and speed humps. At least 3 fines per officer per shift must be issued issue 5000 fines as a team per annum. Do a road block at least once per month to obtain our objective of 12 per annum. Provide escorts for all official applicants with regards to Heavy Duty Transport/Funerals. Conduct 300 fire safety inspections per annum. Service Fire Hydrants @ 120 per annum. Conduct risk analysis @ 60 inspections per annum. Internal Training must be given in: Fire Fighting, Rescue, HAZMAT; and Control Room at least one training sessions per week per shift. Fire Fighters must have all inforamtion and equipment ready before turning out to an incident. (turn out within 3 min and be at the scene within 20 minutes) Answer all calls and respond to emergency calls / Control room / Fire service<br>The key issues are:<br>*To deal with all emergencies; To leave the station under 3 minutes and keep response times under 20 minutes; be vigorous in traffic law enforcement; train and educate the public on scholar patrols and fire safety. Conduct risk analysis inspections and ensure that fire hydrants are serviced ( cleaned , flushesdand and marked to ensure that it can be used in cases of fire* | | |
| Analysis of the Function: | *Current statistical information of resourses and service:* | | |
| 1 | Number and cost to employer of all personnel associated withFire Services and Traffic control: | | *R (000s)* |
| | - Professional (Senior Management) | 1 | *Treasury* |
| | - Field (Detectives/Supervisors) | 4 | *Treasury* |
| | | 2 | |
| | -Fire Section Shift Duty Officers/Leading Fire Fighters | 3 | *Treasury* |
| | -Traffic Officers | 10 | *Treasury* |
| | - Fire Fighters | 16 | *Treasury* |
| | - Contol Room Operators | 4 | *Treasury* |
| | - Administration/Input clerk | 1 | *Treasury* |
| | - Temporary Fire Fighters & Control Room Operators | 13 | *Treasury* |
| 2 | Total Number of Call-outs attended: | | |
| | Emergency calls | 879 | |
| | Standard call outs: | As above | |
| | Traffic (Funeral Escorts) | 128 | |
| | Heavy Transport escorts | 88 | |

| | | | |
|---|---|---|---|
| 3 | Average response time: (From Station to Scene)<br>Emergency calls<br>Standard call outs:<br>Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound fire and traffic officers, non-professional includes aides | 12.00 min<br>12.00 min | |
| | Note: provide average by dividing total response time by number of call-outs | | |
| 4 | Total number of targeted violations eg: traffic offences:<br>*Traffic Violations:* | 2844 All offences | |
| 5 | Total number and type of emergencies leading to a loss of life or disaster: We can only report on Fire and rescue ( Ambulance services are with the district, we do not have their numbers) | 200 MVA's lead to los of life. | |
| | *Fires,Motor Vehicle Accidents including truck or Heavy duty transport* | *879* | |
| 6 | Type and number of grants and subsidies received:<br>*None* | | |
| | Note: total value of specific public safety grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | *NIL* | *Treasury* |
| 7 | Total operating cost of Fire and Traffic function | | *R 0* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| *Fire Rescue and HAZMAT Services; Traffic Services; Disaster Management* | *Fire Rescue and HAZMAT Services: 97%; Traffic Services: 76 .40%; Law enforcement: 52.8% to date. Disaster Management: ( Had no declared disasters 100%; Security Services: 87%. Centralised Communication Center: 90 %* | 80% | 100% |

| | |
|---|---|
| **Function:** | **Public Safety** |
| **Sub Function:** | **Police (Traffic)** |

| Reporting Level | | Detail | Total | |
|---|---|---|---|---|
| Overview: | | Includes police force and traffic (and parking) control | | |
| Description of the Activity: | | The policing and traffic control functions of the municipality are administered as follows and include: | *1*<br>*3*<br>*1*<br>*0*<br>*0*<br>*0*<br>*0*<br>9<br>467<br>*203*<br>*264* | |
| Analysis of the Function: | | | | |
| | 1 | Number and cost to employer of all personnel associated with policing and traffic control: | | *R (000s)* |
| | | - Professional (Senior Management) | | |
| | | - Field (Detectives/Supervisors) | *14.08 min* | |
| | | - Office (Clerical/Administration) | | |
| | | - Non-professional (visible police officers on the street) | | |
| | | - Volunteer | 2641 | |
| | | - Temporary | *Moving Violations; Accidents;Freeway; taxis; Public Vehicles; Defects; and General.* | |
| | | - Contract | Motorised vehicular accidents | |
| | | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Office includes desk bound police and traffic officers, non-professional includes aides | *Not available* | |
| | 2 | Total number of call-outs attended: | | |
| | | - Emergency call-outs | | |
| | | - Standard call-outs | | |
| | | Note: provide total number registered, based on call classification at municipality | | |
| | 3 | Average response time to call-outs: | | |
| | | - Emergency call-outs | **Current** | |
| | | - Standard call-outs | | |
| | | Note: provide average by dividing total response time by number of call-outs | | |
| | 4 | Total number of targeted violations eg: traffic offences: | | |
| | 5 | Total number and type of emergencies leading to a loss of life or disaster: | | |
| | 6 | Type and number of grants and subsidies received: | | *R (000s)* |
| | | Note: total value of specific public safety grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | | |
| | 7 | Total operating cost of police and traffic function | | *R (000s)* |

| | |
|---|---|
| **Function:** | **Housing** |
| **Sub Function:** | **N/A** |

| Reporting Level | | Detail | Total | |
|---|---|---|---|---|
| Overview: | | Over the years the LLM has managed to deliver over 9000 houses and formalized 705 informal stands in the area. The municipality has been able to address about 60% of housing delivery backlogs, however due to continuous migration problems into the area, the housing backlog remains high. The LLM has put in place mechanisms to monitor & control land invasions in the area and a proper audit of all informal settlements was conducted by the service provider. Furthermore, the Department of Local Government & Housing has allocated R64,4 million for the construction of ±990 units in the 2010/11 financial year and this will assist in the reduction of the current housing backlog. | | |
| Description of the Activity: | | The function of provision of housing within the municipality is administered as follows and includes:<br>*The municipalty has a mandate to:*<br>*Beneficiary list administration, Allocation of houses to beneficiaries, Demand database*<br>The strategic objectives of this function are to:<br>*Provide sustainable human settlements*<br>The key issues for 2010/11Y are:<br>*construction of houses in Impumelelo, Kwazenzele , Obed Nkosi and Hostel upgrading* | | |
| Analysis of the Function: | | | | |
| | 1 | Number and cost of all personnel associated with provision of municipal housing: | | *R (000s)* |
| | | - Professional | *2* | |
| | | - Field (Supervisors/Foremen) | *2* | |
| | | - Office (Clerical/Administration) | *2* | |
| | | - Non-professional (blue collar, outside workforce) | *0* | |
| | | - Temporary | *0* | |
| | | - Contract | *0* | |
| | | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. Professional includes project design, Field includes all tradespersons. | | |
| | 2 | Number and total value of housing projects planned and current: | | *R (000s)* |
| | | - Current (financial year after year reported on) | *813* | |
| | | - Planned (future years) | *12600* | |
| | | Note: provide total project and project value as per initial or revised budget | | |
| | 3 | Total type, number and value of housing provided: | | *R (000s)* |
| | | *Two bed roomed with toilets and bathroom* | *1213* | |
| | | Note: total number and total value of housing provided during financial year | | |
| | 4 | Total number and value of rent received from municipal owned rental units | | *R (000s)* |
| | | | | |
| | 5 | Estimated backlog in number of (and costs to build) housing: | | *R (000s)* |
| | | | *14 189* | |
| | | Note: total number should appear in IDP, and cost in future budgeted capital housing programmes | | |
| | 6 | Type of habitat breakdown: | | |
| | | - number of people living in a house or brick structure | *66760* | |
| | | - number of people living in a traditional dwelling | *0* | |
| | | - number of people living in a flat in a block of flats | *216* | |
| | | - number of people living in a town/cluster/semi-detached group dwelling | | |
| | | - number of people living in an informal dwelling or shack | *4784* | |
| | | - number of people living in a room/flatlet | *10* | |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| 7 | Type and number of grants and subsidies received: | | *R (000s)* |
| | *The LLM does not receive grants for housing delivery* | *0* | *0* |
| | Note: total value of specific housing grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | | |
| 8 | Total operating cost of housing function | | *R (000s)* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | *housing delivery in Impumelelo* | 922 allocatted; 400 wallplates; 40 foundations | 100% |
| | *Housing delivery in Kwazenzele* | 69 allocated houses; 91 wallplates; 61 roofed; 152 foundations | 100% |
| | *Close-off Project Ext. 1,3,5,6,7 and 8* | Complete | 100% |
| | *Hostel Upgrading* | Not yet started due to Housing Department's financial contraints | 100% |
| | *Obed Nkosi* | Installation of services for 300 stands | |

| Function: | Waste Management |
|---|---|
| Sub Function: | Solid Waste |

| Reporting Level | | Detail | Total | |
|---|---|---|---|---|
| Overview: | | Includes refuse removal, solid waste disposal and landfill, street cleaning and recycling | 22 000 | R9 761 |
| Description of the Activity: | | The refuse collection functions of the municipality are administered as follows and include:<br>*Audit of Dusbins, Spot fines, issuing of notices, re-inspections, ensure that contracts are in place with provate providers, Purchase of approved capital items, Determine needs and compile budget accordingly.*<br><br>*The municipalty has a mandate to:*<br>*Refuse - and night soil removal, cleaning of vacant stands and cleanin the environment*<br>The strategic objectives of this function are to:<br>*To provide a clean and safe environment by ensuring that all residents have access to refuse and night soil removal (where applicable)*<br>The key issues for 2008/09 are: | | |
| Analysis of the Function: | | | | |
| | 1 | Number and cost to employer of all personnel associated with refuse removal: | | |
| | | - Professional (Engineers/Consultants) | *1* | |
| | | - Field (Supervisors/Foremen) | 2 | |
| | | - Office (Clerical/Administration) | | |
| | | - Non-professional (blue collar, outside workforce) | *54* | |
| | | - Temporary | | |
| | | - Contract | | |
| | | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | | |
| | 2 | Number of households receiving regular refuse removal services, and frequency and cost of service: | 17780 | *R1 290680.20* |
| | | - Removed by municipality at least once a week | *17780* | |
| | | - Removed by municipality less often | | |
| | | - Communal refuse dump used | | |
| | | - Own refuse dump | | |
| | | - No rubbish disposal - poor refuse removal Blue Valley | | |
| | | Note: if other intervals of services are available, please provide details: Night soil | | |
| | 3 | Total and projected tonnage of all refuse disposed: | 14 500 - 18 300 ton per year(exclude illegal dumping as well) | |
| | | - Domestic/Commercial | *645120* | |
| | | - Garden | *89280* | |
| | | Note: provide total tonnage for current and future years activity | 1 300 | |
| | | Total number, capacity and life expectancy of refuse disposal sites: | 1 Devon (20yr) | 20 yr |

| | | | |
|---|---|---|---|
| 4 | - Domestic/Commercial (number)<br>- Garden (number)<br>Note: provide the number of tip sites, their total current capacity and the expected lifespan as at end of reporting period | 1 Transfer station & dumping site Devon | Transfer station 50 yr, Devon site 20 yr |

| Reporting Level | Detail | Total | |
|---|---|---|---|
| 5 | Anticipated expansion of refuse removal service: | | *R (000s)* |
| | - Domestic/Commercial | *6 000* | *R5 000* |
| | - Garden | *29 000* | *R15 000* |
| | Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality | | |
| 6 | Free Basic Service Provision: | | |
| | - Quantity (number of households affected) | | |
| | - Quantum (value to each household) | | |
| | Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided. | | |
| 7 | Total operating cost of solid waste management function | | *R (000s)* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | | | |
| *Upgrade Dumping Site Devon* | *Legalise existing dumping site and legalise a new dumping site in Devon* | 600 | R5 000 |
| | | | |

| | |
|---|---|
| **Function:** | **Waste Water Management** |
| **Sub Function:** | **Sewerage etc** |

| Reporting Level | Detail | Total | Cost |
|---|---|---|---|
| Overview: | Includes provision of sewerage services not including infrastructure and water purification, also includes toilet facilities | 17 284 | R 382,840.60 |
| Description of the Activity: | The sewerage functions of the municipality are administered as follows and include: | | |
| | *The Council have 17 284 full water bond system are maintained and repaired* | 17 284 | R 382,840.60 |
| | *The municipalty has a mandate to:* | | |
| | *Provide every household with sewer system* | | |
| | The strategic objectives of this function are to: | | |
| | *Provide all formalised households with water bond system* | | |
| | The key issues for 2009/10 are: | | |
| | *To upgrade and maintain sewer network in Lesedi and repair toilet water leakages* | | |
| Analysis of the Function: | | | |
| 1 | Number and cost to employer of all personnel associated with sewerage functions: | | *R (000s)* |
| | - Professional (Engineers/Consultants) | *2* | *R2 000* |
| | - Field (Supervisors/Foremen) | *5* | |
| | - Office (Clerical/Administration) | *0* | |
| | - Non-professional (blue collar, outside workforce) | | |
| | - Temporary | | |
| | - Contract | | |
| | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | | |
| 2 | Number of households with sewerage services, and type and cost of service: | | *R (000s)* |
| | - Flush toilet (connected to sewerage system) | *17284* | *382840.6* |
| | - Flush toilet (with septic tank) | *496* | *Privately Ownwd* |
| | - Chemical toilet | | |
| | - Pit latrine with ventilation | *240* | *R1 440 000* |
| | - Pit latrine without ventilation | *664* | |
| | - Bucket latrine | *58* | |
| | - No toilet provision | | |
| | Note: if other types of services are available, please provide details | | |
| 3 | Anticipated expansion of sewerage: | | *R (000s)* |
| | - Flush/chemical toilet | *14000* | *310100* |
| | - Pit latrine | | |
| | - Bucket latrine | | |
| | - No toilet provision | | |
| | Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality | | |
| 4 | Free Basic Service Provision: | | |
| | - Quantity (number of households affected) | *No free basic sanitation policy in place* | |
| | - Quantum (value to each household) | | |
| **Reporting Level** | **Detail** | **Total** | **Cost** |
| | Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided. | | |
| 5 | Total operating cost of sewerage function | *18 000* | *R9 271* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| *Upgrade Sewer Network* | *Reroute sewer lines in Aton Lake and upgrade sewer pipeline in Sigasa street Ratanda* | R300 | ongoing |
| *VIP Toilets* | *Install 25 VIP toilets inDriemanskap and 20 in Devon. Outstanding VIP toilets to be install in Ratanda is 1 000* | R587 | R1 500 |
| *Upgrade Sewer Network Jameson Park* | *Remove pipe Disa ave and install a new sewer pipe and 40 complete connections* | R500 | ongoing |

| | |
|---|---|
| **Function:** | **Road Transport** |
| **Sub Function:** | **Roads** |

| Reporting Level | | Detail | Total | Cost |
|---|---|---|---|---|
| Overview: | | Construction and maintenance of roads within the municipality's jurisdiction | 692km | R18 511 |
| Description of the Activity: | | The road maintenance and construction responsibilities of the municipality are administered as follows and include: | | |
| | | *Maintenance of Roads & resealing* | 692km | R12 511 |
| | | *The municipalty has a mandate to:* | | |
| | | *Maintain & Upgrade Roads&Stormwater* | | |
| | | The strategic objectives of this function are to: | | |
| | | *To provide roads & stormwater to all residents of Lesedi & maintain it.* | | |
| | | The key issues for 2008/09 are: | | |
| | | *Building of new roads in previous disadvantage areas* | 2.78km | R4 000 |
| | | *Resealing of Roads* | 5km | R2 000 |
| Analysis of the Function: | | | | |
| | 1 | Number and cost to employer of all personnel associated with road maintenance and construction: | 41 | *R12 511* |
| | | - Professional (Engineers/Consultants) | *2* | *R600* |
| | | - Field (Supervisors/Foremen) | | |
| | | - Office (Clerical/Administration) | | |
| | | - Non-professional (blue collar, outside workforce) | | |
| | | - Temporary | *30* | *R189* |
| | | - Contract | *<total>* | *<cost>* |
| | | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package | | |
| | 2 | Total number, kilometres and total value of road projects planned and current: | 139km | *R486 000* |
| | | New paved roads | *2.78km* | *R4 000* |
| | | - Existing re-tarred (number) | | |
| | | - New gravel (number) | | |
| | | - Existing re-sheeted (number) | | |
| | | Note: if other types of road projects, please provide details | | |
| | 3 | Total kilometres and maintenance cost associated with existing roads provided | | *R (000s)* |
| | | - Tar / paved roads | *213km* | *R350* |
| | | - Gravel | *479km* | *R500* |
| | | Note: if other types of road provided, please provide details | | |
| | 4 | Average frequency and cost of re-tarring, re-sheeting roads | | *R (000s)* |
| | | - Tar | *5km* | *R2 000* |
| | | - Gravel | *20km* | *R400* |
| | | Note: based on maintenance records | | |
| | 5 | Estimated backlog in number of roads, showing kilometres and capital cost | | *R (000s)* |
| | | - Tar | *85km* | *R90 000* |
| | | - Gravel to be paved | *139km* | *R486 000* |

| Reporting Level | | Detail | Total | Cost |
|---|---|---|---|---|
| | | Note: total number should appear in IDP, and cost in future budgeted road construction programme | | |
| | 6 | Type and number of grants and subsidies received: | | *R (000s)* |
| | | *MIG Funds* | *2,7km* | *R3 875* |
| | | Note: total value of specific road grants actually received during year to be recorded over the five quarters - Apr to Jun this year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | | |
| | 7 | Total operating cost of road construction and maintenance function | *692km* | *R12 511* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| *Maintenance Roads & Stormwater* | *Maintenance of all gravel roads are done in Lesedi area* | R850 000 | R1 000 |
| *Upgrade Roads* | *To provide Roads to all households - Tar / paved* | 139km | R486 000 |
| *New Roads* | *The Council completed 2,78km of roads in the 2008/09 budget* | | |
| | *Roads are constructive labour intensive strategy (paving of roads)* | *2,78km* | *R4 875* |

| | |
|---|---|
| **Function:** | **Water** |
| **Sub Function:** | **Water Distribution** |

| Reporting Level | | Detail | Total | Cost |
|---|---|---|---|---|
| Overview: | | Includes the bulk purchase and distribution of water | 18 000 | R28 152 |
| Description of the Activity: | | The water purchase and distribution functions of the municipality are administered as follows and include: | | |
| | | *The Council maintain 18 000 water reticulation connections and stand pipes.* | 18 000 | R700 |
| | | *The municipalty has a mandate to:* | | |
| | | *Privide water to each and every household* | | |
| | | The strategic objectives of this function are to: | | |
| | | *Supply and maintain water network* | | |
| | | The key issues for 2008/09 are: | | |
| | | *Upgrade water network and maintain Lesedi area* | | |
| | | *Water connections for 480 houses in Impumelelo Ext 2 are completed* | | |
| | | *Supply rural areas with water* | 40 | R50 |
| . | | | | |
| | 1 | Number and cost to employer of all personnel associated with the water distribution function: | 24 | *R (000s)* |
| | | - Professional (Engineers/Consultants) | *1* | *R700* |
| | | - Field (Supervisors/Foremen) | *1* | |
| | | - Office (Clerical/Administration) | | |
| | | - Non-professional (blue collar, outside workforce) | | |
| | | - Temporary | | |
| | | - Contract | | |
| | | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. | | |
| | 2 | Percentage of total water usage per month | | |
| | | Note: this will therefore highlight percentage of total water stock used per month | | |
| | 3 | Total volume and cost of bulk water purchases in kilolitres and rand, by category of consumer | | *R (000s)* |
| | 4 | Total volume and receipts for bulk water sales in kilolitres and rand, by category of consumer: | | *R (000s)* |
| | 5 | Total year-to-date water losses in kilolitres and rand | | *R (000s)* |

| Reporting Level | Detail | Total | Cost |
|---|---|---|---|
| 6 | Number of households with water service, and type and cost of service: | | *R (000s)* |
| | - Piped water inside dwelling | | |
| | - Piped water inside yard | | |
| | - Piped water on community stand: distance < 200m from dwelling | | |
| | - Piped water on community stand: distance > 200m from dwelling | | |
| | - Borehole | | |
| | - Spring | | |
| | - Rain-water tank | | |
| | Note: if other types of services are available, please provide details | | |
| 7 | Number and cost of new connections: | | *R (000s)* |
| 8 | Number and cost of disconnections and reconnections: | | *R (000s)* |
| 9 | Number and total value of water projects planned and current: | | *R (000s)* |
| | - Current (financial year after year reported on) | | |
| | - Planned (future years) | | |
| | Note: provide total project and project value as per initial or revised budget | | |
| 10 | Anticipated expansion of water service: | | *R (000s)* |
| | - Piped water inside dwelling | *10 000* | *R60 000* |
| | - Piped water inside yard | | |
| | - Piped water on community stand: distance < 200m from dwelling | | |
| | - Piped water on community stand: distance > 200m from dwelling | | |
| | - Borehole | | |
| | - Spring | | |
| | - Rain-water tank | | |
| | Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality | | |
| 11 | Estimated backlog in number (and cost to provide) water connection: | | *R (000s)* |
| | - Piped water inside dwelling | | |
| | - Piped water inside yard | | |
| | - Piped water on community stand: distance < 200m from dwelling | | |
| | - Piped water on community stand: distance > 200m from dwelling | | |
| | - Borehole | *10* | *R100* |
| | - Spring | | |
| | - Rain-water tank | *20* | *R100* |
| | Note: total number should appear in IDP, and cost in future budgeted capital housing programmes | | |
| 12 | Free Basic Service Provision: | | |
| | - Quantity (number of households affected) | | |
| | - Quantum (value to each household) | | |
| | Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided. | | |
| 13 | Type and number of grants and subsidies received: | | *R (000s)* |
| | Note: total value of specific water grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | | |
| 14 | Total operating cost of water distribution function | *18 000* | *R28 152* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| *Upgrade Water Lesedi & Extention of Network* | *Replace Water Pipeline in Devon. Install water pipline in small farm holdings and Installation of 25 water tanks Driemanskap,* | R500 | ongoing |
| Water Hydrant & valve installation | Repair and install valve's in Lesedi area | R100 | ongoing |
| Upgrade Water rural areas | Install a water system Siphiwe and Driemanskap | R50 | ongoing |
| Bulk Water Supply Obed Nkosi | Build a new 6 ml reservoir | R3 500 | R9 000 |

| | |
|---|---|
| **Function:** | **Electricity** |
| **Sub Function:** | **Electricity Distribution** |

| Reporting Level | | Detail | Total | Cost |
|---|---|---|---|---|
| Overview: | | Includes the bulk purchase and distribution of electricity | 18 000 | R79 726 |
| Description of the Activity: | | The electricity purchase and distribution functions of the municipality are administered as follows and include: | | |
| | | *The Council provide electricity to 18 000 houses and 50kwh units free* | | |
| | | *The municipalty has a mandate to:* | | |
| | | *Provide all households with electricity* | | |
| | | The strategic objectives of this function are to: | | |
| | | *Maintain and supply a stable electricity supply to the community* | | |
| | | The key issues for 2008/09 are: | | |
| | | *To supply electrical house collections to Ext 2 Impumelelo* | 486 | R583 |
| | | Upgrade Electrical Network and Maintain Network | 18 000 | R6 550 |
| Analysis of the Function: | | | | |
| | 1 | Number and cost to employer of all personnel associated with the electricity distribution function: | 37 | *R5 711* |
| | | - Professional (Engineers/Consultants) | *1* | *R1 500* |
| | | - Field (Supervisors/Foremen) | *2* | |
| | | - Office (Clerical/Administration) | | |
| | | - Non-professional (blue collar, outside workforce) | | |
| | | - Temporary | *10* | *R63* |
| | | - Contract | | |
| | | Note: total number to be calculated on full-time equivalent (FTE) basis, total cost to include total salary package. | | |
| | 2 | Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer | | *R (000s)* |
| | | *- Residential* | | |
| | | *- Commercial* | | |
| | | *- Industrial* | | |
| | | *- Mining* | | |
| | | *- Agriculture* | | |
| | | *- Other* | | |
| | 3 | Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer: | | *R (000s)* |
| | | *- Household* | | |
| | | *- Commercial* | | |
| | | *- Industrial* | | |
| | | *- Mining* | | |
| | | *- Agriculture* | | |
| | | *- Other* | | |
| | 4 | Total year-to-date electricity losses in kilowatt hours and rand | | *R (000s)* |
| | 5 | Number of households with electricity access, and type and cost of service: | | *R (000s)* |

| Reporting Level | Detail | Total | Cost |
|---|---|---|---|
| | - Electrified areas | | |
| | - Municipal | *18 000* | |
| | - Eskom | *4 000* | |
| | - Alternate energy source | | |
| | - Gas | | |
| | - Paraffin | | |
| | - Solar | | |
| | - Wood | | |
| | - Non electrified | | |
| | Note: if other types of services are available, please provide details | | |
| 6 | Number and cost of new connections: | | *R (000s)* |
| | | *600* | *R4 500* |
| 7 | Number and cost of disconnections and reconnections | | *R (000s)* |
| | | | |
| 8 | Number and total value of electrification projects planned and current: | | *R (000s)* |
| | - Current (financial year after year reported on) | | |
| | - Planned (future years) | | |
| | Note: provide total project and project value as per initial or revised budget | | |
| 9 | Anticipated expansion of electricity service: | | *R (000s)* |
| | Obed Nkosi | *6 000* | *R3 000* |
| | Kloof | *200* | *R100* |
| | Ext 12 Heidelberg | *500* | *R250* |
| | Kaydale | *4 000* | *R2 000* |
| | Bergsig | *550* | *R275* |
| | Portion 104 | *480* | *R240* |
| | Zone of Opportunity | *150* | *R300* |
| | Note: provide total number of households anticipated to benefit and total additional operating cost per year to the municipality | | |
| 10 | Estimated backlog in number (and cost to provide) electrical connection: | | *R (000s)* |
| | All formalized stands have electrical connection | *18* | |
| | Note: total number should appear in IDP, and cost in future budgeted capital housing programmes | | |
| 11 | Free Basic Service Provision: | | |
| | - Quantity (number of households affected) | *18* | |
| | - Quantum (value to each household) | | |
| | Note: Provide details of how many households receive the FBS provision, and the average value it means per household. Describe in detail the level of Free Basic Services provided. | | |
| 12 | Type and number of grants and subsidies received: | | *R (000s)* |
| | | | |
| | Note: total value of specific electricity grants actually received during year to be recorded over the five quarters - Apr to Jun last year, Jul to Sep, Oct to Dec, Jan to Mar, Apr to Jun this year. | | |
| 13 | Total operating cost of electricity distribution function | | *R79 726* |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| | | | |
| *Infrastructure* | *Upgrade Electrical Network Heidelberg* | 600 | R600 |
| | *Uptrade Electrical Network Jameson Park* | 300 | R300 |
| | *New switching substation Impumelelo Ext 2* | 2 100 | R2 500 |
| | *Maintenance Electrical Network* | 6 550 | R6 550 |
| | *Building a new main substation Jameson park* | 2 500 | R3 100 |
| | *Upgrade Retief substation Heidelberg - completion June 2010* | 3 100 | R4 000 |
| | *Upgrade Ratanda Substation* | 800 | R800 |
| | *Installation of Meter Protective Kiosks Ratanda* | 600 | R600 |
| | | | |
| | | | |

| | |
|---|---|
| **Function:** | **Electricity** |
| **Sub Function:** | **Street Lighting** |

| Reporting Level | Detail | Total | Cost |
|---|---|---|---|
| Overview: | Includes all activities associated with the provision of street lighting to the community | 2 850 | R1 700 |
| Description of the Activity: | Street lighting responsibilities of the municipality are administered as follows and include: | | |
| | *Maintenance on a regular basis weekly & monthly* | 2 850 | R550 |
| | *The municipalty has a mandate to:* | | |
| | *To repair & install new streetlights* | | |
| | The strategic objectives of this function are to: | | |
| | *For security & side walks & road lighting* | | |
| | The key issues for 2008/09 are: | | |
| | *To reduce energy, to change 125w streetlights with 75w streetlights.* | 20 | R14 |
| Analysis of the Function: | | | |
| 1 | Number and total operating cost of streetlights servicing population: | | *R (000s)* |
| | *Streetlights repair 2008/09* | *2 850* | *R850* |
| | Note: total streetlights should be available from municipal inventory | | |
| 2 | Total bulk kilowatt hours consumed for streetlighting: | | |
| | *200w x 2850 =570x 0,9 x 365 X 11* | *2059* | *R865* |
| | Note: total number of kilowatt hours consumed by all street lighting for year | | |

| Key Performance Area | Performance During the Year, Performance Targets Against Actual Achieved and Plans to Improve Performance | Current | Target |
|---|---|---|---|
| *Upgrade Streetlights* | *Install new Streetlights* | 100 | 200 |

LESEDI

LOCAL MUNICIPALITY / PLAASLIKE MUNISIPALITEIT

Telephone : 016 - 3404300
Civic Centre,
C/O HF Verwoerd and
Louw Street,
Heidelberg, Gauteng

Lesedi Local Municipality
P O Box 201
Heidelberg
Gauteng
1438

**Visit us Online:**
**www.lesedilm.gov.za**